



June 25, 2007

0320-4540/4800-59070-20

Scot Collins, P.Eng.
Senior Engineer
Northpoint Energy Ltd.
Suite 1600, 734 Seventh Ave S.W.
Calgary Alberta T2P 3P8

Dear Mr. Collins:

**RE: INTERIM COMMINGLED PRODUCTION APPROVAL
NORTHPOINT ET AL ALTARES c-13-H/94-B-8; WA# 20757**

Commission staff have reviewed your application, dated June 13, 2007, for approval to commingle gas production from the Altares field – Coplin “A” and Halfway “B” pools in the subject well.

Northpoint Energy operates all wells currently producing from these two multi-well pools. The subject well c-13-H (bottom-hole d-13-H) is located within Good Engineering Practice approval areas for both pools. Commingled production approval has previously been granted for these same pools in the well a-A3-H/94-B-8 (WA# 17739).

Production from the Halfway commenced in October 2006, currently at a rate of $\sim 28 \text{ e}^3\text{m}^3/\text{d}$. The Coplin zone has yet to be completed, however the production rate is anticipated to be modest. Both zones are sour gas, with safety concerns for completing the well in a manner that would allow segregated testing of the 24.5% H_2S Coplin zone. Due to the high H_2S content of these two zones, and limited hole diameter precluding dual production strings, commingled production completion will minimize the length of production casing exposed to the corrosive producing fluids. Commingled production is expected to maximize production and recovery from these two zones.

We wish to advise that your application to commingle production from the Coplin and Halfway zones is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

1. The measurement and reporting of the initial reservoir pressure of the Coplin zone is hereby waived, under Section 95(7) of the *Regulation*.
2. A measurement of the absolute open flow potential of the Coplin zone is hereby waived, under Section 84(2) of the *Regulation*.
3. A supplemental application for commingled production must be submitted, with the results of completion operations, and proposed allocation factors for production reporting.
4. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0310.

Sincerely,

Ron Stefik, ASCT
Sr. Reservoir Engineering Technologist

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