



November 20, 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: COMMINGLED PRODUCTION APPROVAL
NORTHPOINT ET AL ALTARES c-13-H/94-B-8; WA# 20757**

Commission staff have reviewed your application, dated November 1, 2007, for approval to commingle gas production from the Altares field – Coplin “A” and Halfway “B” pools in the subject well.

Interim commingling was approved on June 25, 2007 to allow the acquisition of additional supporting data for a formal commingling application. 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).

Due to the high H₂S 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 you that your application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Coplin (1767.0 – 1770.0 mKB) and Halfway (1930.0 – 1986.0 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Coplin 15 % and Halfway 85 %. The allocation factors may be amended to reflect results of any future tests.
3. 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) 952-0366.

Sincerely,

Richard Slocomb, P.Eng.
Supervising Reservoir Engineer

RESOURCE CONSERVATION

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