



December 7, 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 ALTARES b-53-H/94-B-8; WA# 22912**

The Commission has reviewed your application dated November 22, 2007 for interim approval to commingle gas production from the Coplin and Halfway formations in the subject well.

Northpoint Energy operates all wells currently producing from the Altares Coplin "A" and Halfway "B" multi-well pools. Due to the very high H₂S content of these two zones (Coplin - 24.5% & Halfway - 9.3%), and limited hole diameter precluding dual production strings, commingled approvals for these two zones have been granted for two wells in the Altares field. These wells are (WA 17739) Northpoint et al Altares a-A3-H/94-B-8 and (WA 20757) Northpoint et al Altares c-13-H/94-B-8. The subject well is located within Good Engineering Practice (GEP) approval area for the Halfway "B" pool and on the boundary of the GEP approval area for the Coplin "A" pool.

Both zones in the subject well are also expected to encounter similar high H₂S content. We concur that commingled production is expected to maximize production and recovery from both zones. This interim approval is intended to allow the acquisition of additional supporting data for a formal commingling application.

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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