

January 16, 2003

8260-2600/2700-59070-20 OGC - 03015

Liz Bosselle Regulatory Administrator Pioneer Natural Resources Canada 2900, 255 – 5 Avenue S.W. CALGARY AB T2P 3G6

Dear Ms. Bosselle:

APPLICATION FOR COMMINGLED PRODUCTION RE: PIONEER WARGEN b-100-J/094-H-3; WA# 5509

The Commission has reviewed your application dated December 23, 2002 requesting permission to commingle gas production from the Bluesky and Gething zones encountered in the subject well.

The Commission has designated the gas pools in this well to be Bluesky "A" and Gething "C" of the Wargen field. Gas from these pools is expected to be of similar composition and pressures. Commingled production is expected to increase remaining recoverable reserves from these depleted pools. It is noted that other wells have been completed for commingled production in the area, and that this well was completed in a commingled state.

We wish to advise you that your application to commingle production is hereby approved, under the authority of section 41 of the Drilling and Production Regulation, subject to the following conditions:

- 1. Production from the Bluesky (1059.0-1061.0 mKB) and Gething (1069.0-1071.5.0 mKB) zones may be commingled.
- Gas, condensate and water production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Bluesky 55% and Gething 45%.
- This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Please note that amended BC S-1 form must be submitted, beginning from the month of initial production

reflecting the allocation factors in condition #2.	Approval Letters to Industry COMMINGLED PRODUCTION
P.S. Attariwala, P.Eng. Supervisor Reservoir Engineering	Copy 8  Wellfile (originals) 59070-20  Daily Resource Revenue R. Stefik G. Farr P.S. Attariwala D. Krezanoski