



March 8, 2006

5400-7390/7420-59070-20
OGC - 06093

Stu Wilson, P. Eng.
VP, Operations
RedStar Oil and Gas Inc.
700, 520 - 5th Avenue S.W.
CALGARY AB T2P 2V6

Dear Mr. Wilson:

RE: APPLICATION FOR COMMINGLED PRODUCTION; INTERIM APPROVALS
RStar et al Kotcho a-83-C/94-P-3; WA# 20780
RStar et al Kotcho d-A85-C/93-P-3; WA# 20781

The Commission has reviewed your application dated March 2, 2006, requesting interim commingling approval for gas production from the Upper Debolt and Lower Debolt zones in the subject wells.

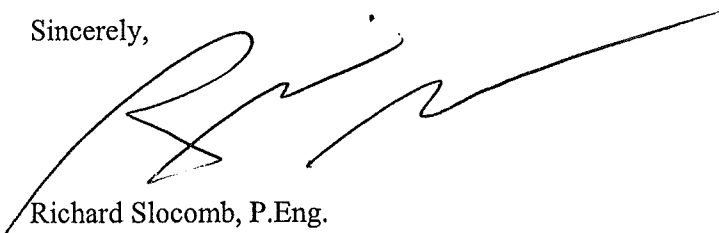
At this time only test production with flowing pressure data is available for the Upper Debolt and Lower Debolt from the recently drilled subject wells. However, production data is available from an offsetting well PC Kotcho c-93-C/93-P-3 (WA 579), operated by Petro Canada. The Upper Debolt in well c-93-C, producing through the annulus, has loaded up with water and is now shut-in pending a commingling request. In the subject wells the Upper Debolt is expected to make water and the wells will not be able to lift water up the annulus. We concur that segregated production from the Upper Debolt may not be justified. Therefore, commingling production from these two zones is considered appropriate as production and reserve recovery will be maximized.

We wish to advise you that your application to commingle production from these gas pools is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Upper Debolt and Lower Debolt zones may be commingled.
2. Tests must be completed to establish the AOF and initial reservoir pressure, with reports filed for each zone as per the requirements of Sections 84 and 95 of the *Regulation*.
3. A formal application for commingled production must be submitted with supporting test data, gas analysis and proposed allocation factors for production reporting.
4. Formal approval for commingled production **will not** be authorized until all of the conditions above have been met.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,


Richard Slocomb, P.Eng.
A/Director
Resource Conservation Branch

**Approval Letters to Industry
COMMINGLED PRODUCTION**

Copy 8

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
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