



October 12, 2007

2020-4540/4800-59070-20

Barry Martin  
Signalta Resources Ltd.  
1000, 605 5<sup>th</sup> Avenue SW  
CALGARY AB, T2P 3H5

Dear Mr. Martin:

**RE: INTERIM COMMINGLED PRODUCTION APPROVAL  
SIGNALTA N BOUNDARY 12-31-87-14W6M; WA# 6769**

Commission staff have reviewed your application dated September 18, 2007, for approval to commingle oil production from the Coplin and Halfway formations in the subject well.

The subject well produced from the Boundary Lake North field - Halfway "I" pool since March 1988, suspended in August 2006 due to uneconomic rates from this now mature pool. The Coplin zone has not yet been completed in this well, however this zone was completed and commingled with the Halfway formation in the off-setting wells 14-31-87-14 & 12-29-87-14, with resulting total well production a modest 1.5 – 3.0 m<sup>3</sup>/d of oil and low gas rates. It would appear that commingled production would allow the best option for production of these limited recoverable reserves.

We wish to advise you that your application to commingle production from these zones 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 Coplin and Halfway formations may be commingled, provided that the initial Coplin oil rate is less than 5 m<sup>3</sup>/d.
2. The initial reservoir pressure of the Coplin zone must be measured and reported as per the requirement of Section 95 of the *Regulation*.
3. A subsequent application for commingled production must be submitted with supporting test data and proposed allocation factors for production reporting of each fluid.
4. Formal approval for commingled production **will not** be authorized until all of the conditions above have been met.

Commingled production approvals issued February 17, 2006 for the wells Signalta N Boundary 14-31-87-14 (WA# 5958) and Signalta Boundary N 12-29-87-14 (WA# 16730) were conditional on specific production allocation factors for reporting to the Coplin and Halfway formations. We note that this has not occurred; failure to amend records appropriately may result in the rescinding of these approvals.

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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**RESOURCE CONSERVATION BRANCH**

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