



April 24, 2007

2400-2700/2700-59070-20

Mike Carlson, P.Eng.
VP Engineering
Silverwing Energy Inc.
Suite 1250, 635 - 8th Avenue S.W.
Calgary, Alberta T2P 3M3

Dear Mr. Carlson:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
SILVERWING ET AL BUICK d-40-I/94-A-14; WA# 19918**

The Commission has reviewed your application dated March 23, 2007, requesting approval to commingle gas production from the upper Gething and lower Gething formations in the subject well.

The Commission has designated the gas pools under application to be the Buick Creek – Gething “F” and Gething “E”. The Commission granted verbal approval for commingled production of the upper and lower Gething zones on December 22, 2006.

Both Gething zones have been mapped as single well pools. The upper Gething in the subject well has been on production through a sliding sleeve in the tubing since October 2006 and is currently producing at $142.1 \times 10^3 \text{ m}^3/\text{d}$. The lower Gething tested at $10.5 \times 10^3 \text{ m}^3/\text{d}$ upon initial completion. The wellbore had been configured with a packer and sliding sleeve between each producing interval, however during initial production frac sand had collected in the dead annulus between the packer and the perforations. Accumulation of sand has resulted in a restriction of production from the upper Gething zone. Silverwing believes that removing the tubing plug and commingling the upper and lower Gething zones will alleviate the sand plugging problem, thereby increasing ultimate recovery of reserves. Both zones are sweet gas with similar initial reservoir pressures. We concur that commingling of the upper and lower Gething production will result in increased reserves recovery.

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 upper Gething (1100.5 – 1103.5 mKB) and lower Gething (1125.0 – 1127.0 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 upper Gething 80 % and lower Gething 20%. 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 BRANCH

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