September 27, 2006

2400-2400/2700-59070-20

Ann Green Engineering Technologist Bonavista Petroleum Ltd. 700, 311-6<sup>th</sup> Avenue SW Calgary, Alberta T2P 3H2

Dear Ms. Green:

## RE: COMMINGLED PRODUCTION APPROVAL BONAVISTA ET AL BUICK d-48-J/94-A-11; WA# 14400

The OGC has reviewed your application, dated July 21, 2006, and supplemental information submitted August 24, 2006, for approval to commingle gas production from the Notikwein and Dunlevy formations in the subject well.

The Commission has designated the gas pools under application to be the Buick Creek – Notikewin "E" two well pool and Gething "G" single well pool.

The Notikewin zone has intermittently produced up the casing annulus at an average gas rate of 2.5 10<sup>3</sup> m<sup>3</sup>/d, below the critical lift rate and experiencing liquid loading. The Gething is flowing up tubing at a present rate of 0.9 10<sup>3</sup> m<sup>3</sup>/d. The Gething zone is slightly sour, however the proposed installation of a down-hole check valve will eliminate any potential issue of cross-flow between zones. Commingled production is expected to maximize production and reserve recovery.

We wish to advise 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 Notikewin (822.0-834.0 mKB) and Gething (1115.0-1118.5 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 Notikewin 70% and Gething 30%.
- 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) 952-0310.

Sincerely,

Ron G. Stefik, AScT

Sr. Reservoir Engineering Technologist