



August 20, 2007

1200-4540/4800-59070-20

Max Vorobiev, P.Eng.
Exploitation Engineer
ProEx Energy Ltd.
Suite 1200, 205 – 5th Avenue S.W.
CALGARY, AB T2P 4B9

Dear Mr. Vorobiev:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
PROEX Bernadet 09-30-87-24 W6M; WA# 20184**

The Commission has reviewed your application dated May 15, 2007, requesting permission to commingle gas production from the Coplin and Halfway zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Bernadet field – Coplin “A” and Halfway “C”. The Coplin “A” pool is currently produced from one well. The Halfway “C” pool is produced from multiple wells. The Halfway zone in the subject well is currently suspended. Narrow casing size coupled with extremely high sour gas content in both the Coplin (26%) and Halfway (9.4%) zones require that both zones be produced up a single tubing string. Commingled production is expected to maximize production and reserve recovery. Initial reservoir pressures from both zone are similar. The final production string will be configured with two packers and a sliding sleeve to allow for isolation of the two zones during extended shut-in periods.

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 Coplin (1489.0–1494.0 mKB) and Halfway (1645.0–1666.0 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 Coplin 50% and Halfway 50%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,

Richard Slocomb, P.Eng.
Supervising Reservoir Engineer

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744 www.ogc.gov.bc.ca