

January 29, 2004

6480- 2200/2515/2700/2800/2850-59070-20 OGC - 04027

John Donohoe, P.Eng. Senior Exploitation Engineer **Devon Canada Corporation** 1600, 324 – 8<sup>th</sup> Avenue SW Calgary AB T2P 2Z5

Dear Mr. Donohoe:

RE: APPROVAL FOR COMMINGLED PRODUCTION DEVON ARL OJAY b-45-G/93-I-9; WA# 15454

The Commission has reviewed your application dated December 22, 2003 for approval to commingle gas production from the Cadotte, Falher C, Gething, Cadomin and Nikanassin zones encountered in the subject well. An interim approval to commingle the Cadomin and Nikanassin zones was issued on January 15, 2003, pending test results.

The Commission designates the gas pools under application to be the Ojay field – Cadotte "A", Falher C "A", Gething "A", Cadomin "B" and Nikanassin "B".

All zones are mapped as single well pools, except the Nikanassin B", penetrated by a second well which has never produced. Cadotte and Cadomin zones did not appear to contain producible gas and only marginal gas rates were recorded from the Falher C and Gething zones, with likely limited gas reserves. Only the Nikanassin zone would appear to be contributing significant gas flow. All pools contain sweet gas. Commingled production is expected to increase the productive life of this well, thereby increasing recoverable reserves.

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 Cadotte (2164.0-2174.0 mKB), Falher C (2342.0-2349.0), Gething (2635.0-2645.0 mKB), Cadomin (2715.8-2721.2 mKB) and Nikanassin (2780.2-2933.0 mKB) formations may be commingled.
- 2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Falher C 1%, Gething 3% and Nikanassin 96%. The allocation factors may be amended to reflect results of any future tests.

This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,	COMMINGLED PRODUCTION Copy 8
$\bigcap$ $\bigcap$	Wellfile (originals)
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Hatri Me	Daily
Peter S. Attariwala, P.Eng.	Resource Revenue
Supervisor	R. Stefik
<u> </u>	G. Farr
Reservoir Engineering	P.S. Attariwala
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PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952	LOUDE I ANI (EUO) OUE OUG.

Location: 6th Fir 1810 Blanshard St, Victoria BC