



May 23, 2008

7250-2400/2700-59070-20

Kathleen Storey
Regulatory Applications
Apache Canada Ltd.
1000, 700 – 9th Ave S.W.
Calgary AB T2P 3V4

Dear Ms. Storey:

**RE: COMMINGLED PRODUCTION APPROVAL
APACHE PICKELL d-24-I/94-H-3; WA# 22652**

Commission staff have reviewed the application dated May 5, 2008, following an interim approval dated March 15, 2007 to commingle gas production from the Notikewin and Gething formations in the subject well.

This well has been mapped within the large Pickell field Notikewin “A” pool, approved for reduced well spacing under multiple Good Engineering Practice approvals in this area. The Gething “T” is presently a single well pool, containing modest reserves. Both zones have been producing, in a segregated state, since April 2007. Well tests were completed, with initial reservoir pressure and AOF reports submitted. The conditions of the interim approval have been met. Several wells in this area have been approved to commingle these formations. Commingled production is expected to maximize gas recovery from these zones, specifically with regard to the issue of liquid loading.

Commingled 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 (826.0 – 853.0 mKB) and Gething (1063.5 – 1075.0 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1, BC S-2 and BC S-8 forms on the basis of Notikewin 45 % and Gething 55 %. 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) 952-0310.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ron Stefik', is written over a light blue rectangular background.

Ron Stefik, AScT
Sr Reservoir Engineering Technologist

RESOURCE CONSERVATION BRANCH

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