

Ms. Shelly Ginther
Reservoir Technician
Penn West Petroleum Ltd.
P.O. Box 1450, Station "M"
Calgary, AB T2P 2L6

Dear Ms. Ginther:

**RE: APPROVAL FOR COMMINGLED PRODUCTION
PENN WEST BUICK A7-24-88-20; WA# 7534**

The Ministry has reviewed your application dated January 17, 1996, requesting permission to commingle gas production from the Bluesky 'F' and Dunlevy 'O' pools encountered in the subject well.

Gas composition and expected reserves are similar for the two pools, both of which are only encountered by the subject well. The Bluesky zone has been on production since January, 1994, however the expected pressure differential between the two zones should have no impact on reserves recovery.

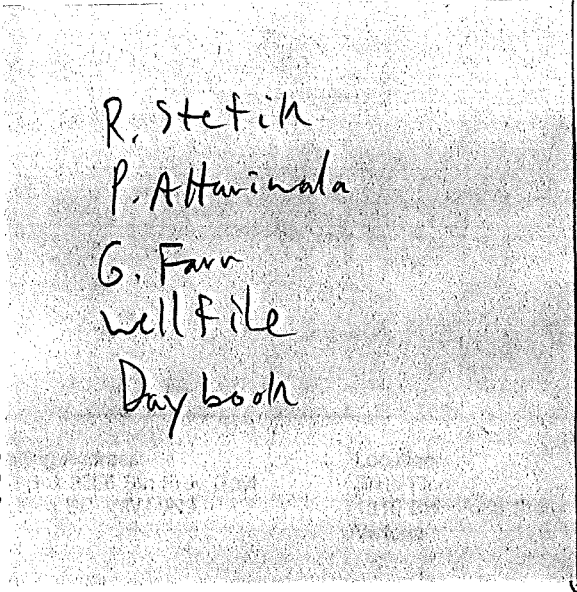
We wish to advise you that your application to commingle production is hereby approved, under the authority of section 44 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Bluesky (1109.5 - 1114.5 mKB) and Dunlevy (1145.0 - 1151.5 mKB) formations may be commingled.
2. Gas, condensate and water production should be allocated on the BC S-1 and BC S-2 forms on the basis of Bluesky 40% and Dunlevy 60%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Sincerely,



B. van Oort, P. Eng.
Director
Engineering and Operations Branch



R. Stetih
P. Attaninola
G. Farr
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