



March 18, 2011

4780-2515/2545/2800/2850-59070-20

Lloyd Murray, P. Geol.
Devon Canada Corporation
2000, 645 – 7th Avenue SW
Calgary AB T2P 4G8

Dear Mr. Murray:

RE: INTERIM COMMINGLED PRODUCTION SPECIAL PROJECT
DEVON HIDING a-36-H/93-I-16; WA# 20713

Commission staff have reviewed your application dated March 10, 2011 for interim approval to commingle gas production from the Fahler C, Falher G, Cadomin, and Nikanassin zones encountered in the subject well. The well is currently producing from the Nikanassin "D" pool.

The Nikanassin zone was completed in March 2007, put on production in July 2008 at 25 10³m³/d and is currently producing at 5 10³m³/d. Devon plans to complete an additional Nikanassin interval and the Falher C, Falher G, and Cadomin formations prior to spring break up and configure the wellbore to produce commingled once completion operations are finished. It is anticipated that all the zones will contain sweet gas.

The interim approval is intended to allow the acquisition of additional supporting data for final commingling approval and determination of production allocation. Commingled production through a single tubing string should maximize production and minimize operational issues.

Attached please find Order 11-20-009 designating an area in the Hiding Creek field within the subject formations a Special Project under section 75 of the *Oil and Gas Activities Act* for Commingled Production. Please note that commingled production operations will be subject to periodic review and the Commission may modify the Order, if deemed appropriate.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Slocomb', is written over a light blue horizontal line.

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering

IN THE MATTER of an application from Devon Canada Corporation to the Oil and Gas Commission (Commission) dated March 10, 2011 for Interim Commingled production approval.

ORDER 11-20-009

1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Commission designates the temporary commingling of production from the Hiding Creek field – Falher C, Falher G, Cadomin and Nikanassin formations as a special project for the enhanced recovery of natural gas by commingling production within the following area;

NTS 093-I-16 Block H – units 36, 37, 46 and 47.

2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions:

- a) Production from the Falher C, Falher G, Cadomin and Nikanassin zones may be commingled on an interim basis through the well DEVON HIDING a-036-H/093-I-16 (WA # 20713).
- b) A separate production test must be performed on the Falher C and Falher G zones. If production from either zone exceeds $100.0 \times 10^3 \text{m}^3/\text{d}$, production from the Shallow and Deep zones, as defined in the Outer Foothills Commingling Interim Guideline, must be segregated and all applicable requirements of Condition #9 of the Outer Foothills Commingling Interim Guideline must be met.
- c) A supplementary application for commingled production, with supporting test data, must be submitted, with proposed allocation factors for production.
- d) This approval is valid for 60 days following the conclusion of completion operations.



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 13 day of March 2011.