

OIL AND GAS COMMISSION

June 10, 2004

6430-2200/2510-59070-20 OGC – 04199

Kory Galbraith Sr. Operations Engineer Burlington Resources Canada Ltd. PO Box 4365, Postal Station C CALGARY AB, T2T 5N2

Dear Mr Galbraith:

RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL BRC HTR Oxbow Noel c-16-K/093-P-01; WA# 11048

The OGC has reviewed your application dated June 3, 2004, for approval to commingle gas production from the Cadotte and Falher B formations in the subject well.

The Commission has designated the gas pools under application to be the Noel — Cadotte "T" and Falher B "G" pools. Both are mapped as single well pools. The Cadotte produced for seven months during 1999 and 2000 and last produced at $20x10^3 \text{m}^3/\text{d}$. Pressure data indicates that the Cadotte is a very small reservoir and is only expected to produce for a few more years. The Falher B commenced production in 1999 and is currently producing at $15x10^3 \text{m}^3/\text{d}$ and is considered to have considerably more remaining reserves than the Cadotte zone. Commingled production approval is expected to maximize production and recovery from the Cadotte zone. Both zones are sweet gas. Although both zones do not have similar pressures Burlington has committed to maintaining a sliding sleeve to enable segregation for the duration of any extended shut-in period.

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 (2177.0 2184.0 mKB) and Falher B (2310.0 2318.0 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 Cadotte 10 % and Falher B 90%. 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) 952-0311 or Richard Slocomb at (250) 952-0366.

Sincerely,	/	Ar No.	
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Peter Attariwala, P. Eng. Supervisor			Resource Revenue R. Stefik
Reservoir Engineering			G. Farr P.S. Attariwala
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