

March 1, 2005

6480-2800/2850-59070-20 OGC -- 05065

Bill Partridge, P.Eng. Foothills Exploration & Development Burlington Resources Canada Ltd. PO Box 4365, Postal Station C CALGARY, AB T2T 5N2

Dear Mr Partridge:

RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL BRC HTR et al Ojay a-33-C/93-I-16; WA# 17628

The OGC has reviewed your application dated January 10, 2005, for approval to commingle gas production from the Cadomin and Nikanassin formations in the subject well. The Commission has designated the two pools under application to be the Ojay – Cadomin "C" and Nikinassin "C".

On July 9, 2004 the subject well was granted approval, on an interim basis, for commingled production from the Cadomin and Nikinassin zones. A commingled production test, pressure transient analysis and gas analysis have been performed on these two zones, partially satisfying the requirements of the interim approval. Condition 3 of the interim approval was not fulfilled; Burlington was unable to determine individual flowrates for each zone, as a slotted liner over the open-hole section precluded running a spinner survey. However, commingled production is expected to maximize recovery from both zones.

We wish to advise you that your application to commingle production is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

- 1. Production from the Cadomin (3265.0 3298.0 mKB) and Nikinassin (3298.0 3675.0 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 Cadomin 20 % and Nikinassin 80 %. 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) 952-0366.

Approval Letters to Industry
COMMINGLED PRODUCTION
Copy 8

Wellfile (originals)
59070-20
Daily
Resource Revenue
R. Stefik
G. Farr
R Slocomb
D. Krezanoski

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301 Location: 6th Flr 1810 Blanshard St. Victoria BC