



OIL AND GAS COMMISSION

August 12, 2004

6480-2515/2700/2800/2850-59070-20

OGC - 04248

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



Bill Partridge
(403) 263-2708

Richard Slocomb

ph: (250) 952-0366



DATE: AUG. 12, 2004



Dear Mr Partridge:

RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR et al Ojay d-57-C/93-I-16; WA# 15856

The OGC has reviewed your application dated August 12, 2004, for approval to commingle gas production from Falher C, Gething, Cadomin and Nikinassin formations in the subject well.

The Commission has designated the gas pools under application to be the Ojay - Falher C "B", Gething "B", Cadomin "C" and Nikinassin "C" pools. An approval to commingle the Gething, Cadomin and Nikinassin zones had previously been issued by the Commission (July 8, 2004). Currently the Gething zone is producing segregated up the tubing, at rates above what would be considered economic. However, it has been determined that the Gething is a limited reservoir and will likely be depleted over the next few years. The Falher C is a low permeability zone that was tested at 14.0 10^3 m^3/d, declining to 11.3 10^3 m^3/d by the end of the test period. Commingled production of the Falher C, Gething, Cadomin and Nikinassin is expected to maximize production and reserve recovery from all four zones. All four zones are sweet gas. Although the pressures are not expected to be similar, sliding sleeves are in place 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 Falher C (2997.0 - 3017.0 mKB), Gething (3232.0 - 3248.0 mKB), Cadomin (3345.0 - 3373.0 mKB) and Nikinassin (3373.0 - 3568.0 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 Falher C 10%, Gething 44 %, Cadomin 23% and Nikinassin 23 %. 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.

Sincerely,

[Handwritten signature of Richard Slocomb]

Richard Slocomb, P. Eng.
Supervisor
Reservoir Engineering

Approval Letters to Industry
COMMINGLED PRODUCTION

Copy 8

- Wellfile (originals) 59070-20
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