



March 9, 2005

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

**Approval Letters to Industry
COMMINGLED PRODUCTION**

6480

Copy 8

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

Dear Mr. Partridge:

2) 952-0302 Fax: (250) 952-0201
Victoria BC

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
BRC HTR et al Hiding d-20-F/93-I-16; WA# 16929**

The OGC has reviewed your application dated March 4, 2005, for approval to commingle gas production from Bluesky/Gething, Cadomin and Nikanassin formations in the subject well.

The Commission has designated the zones under application to be the Ojay – Gething “C”, Cadomin “E” and Nikanassin “E” non-associated gas pools.

On December 17, 2004, the Commission granted interim approval for commingled production for the Cadomin and Nikanassin zones. At that time the OGC did not feel that it was appropriate to issue an interim approval for the Gething zone. Although all three zones tested at very high rates, production history in the area suggests that the Cadomin and Nikanassin production rates will fall off very rapidly. Burlington believes that the Gething production from the subject well will be analogous to the off-setting d-57-C/93-I-16 location where the Gething gas accumulation was small and production rates dropped off rapidly. Although there is little information regarding the Gething zone in this area, Burlington has committed to installing packers and sliding sleeves between all three commingled zones allowing further segregated testing if and when required. All three zones have similar pressures and gas compositions. Commingled production is expected to maximize production and reserves recovery.

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 Gething (3232.0 – 3248.0 mKB), Cadomin (3345.0 – 3373.0 mKB) and Nikanassin (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 Gething 30 %, Cadomin 30% and Nikanassin 40 %. The allocation factors may be amended to reflect results of any future tests.
3. Should the commingled production rate from the Gething, Cadomin and Nikanassin zones exceed 85.0 10³ m³/d on November 1, 2005, the Commission will be notified and Burlington may be required to perform segregated flow and build-up tests on each zone.

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RESOURCE CONSERVATION BRANCH

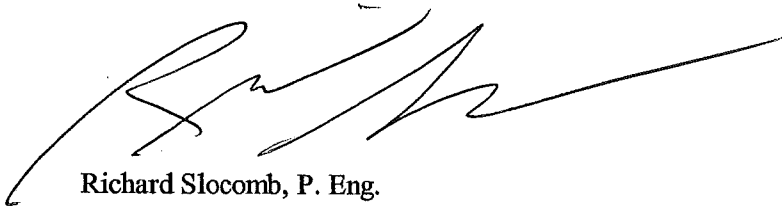
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC

4. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Please note that the subject well is located on Drilling License 53678 and lease selection is required prior to production from this well. Additionally the subject well was drilled in an off-target location and as such each zone will be subject to a penalized Daily Gas Allowable (DGA). However as per Section 10 (7) of the *Drilling and Production Regulations*, if this well is designated the discovery well for the Ojay – Gething “C”, Cadomin “E” and Nikanassin “E” pools the off-target penalties will not apply.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', with a long horizontal flourish extending to the right.

Richard Slocomb, P. Eng.
Supervisor
Reservoir Engineering