OIL AND GAS COMMISSION

April 21, 2005

6480-2400/2515/2700/2800/2850-59070-20
OGC – 05134

Approval Letters to Industry
COMMINGLED PRODUCTION
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Bill Partridge, P.Eng.
Foothills Exploration & Development
Burlington Resources Canada Ltd.
2100 Bow Valley Square IV,
250 – 6th Avenue SW
CALGARY AB, T2P 3H7

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 April 6, 2005, for approval to commingle gas production from Notikewin, Falher C, Gething, Cadomin and Nikanassin formations in the subject well.

The Commission has designated the gas pools under application to be the Ojay – Notikewin "A", Falher C "B", Gething "B", Cadomin "C" and Nikanassin "C" pools. An approval to commingle the Falher C, Gething, Cadomin and Nikanassin zones has previously been issued by the Commission (August 12, 2004). Currently the Notikewin zone is producing segregated up a separate tubing string at a rate of 72.9 10^3 m^3/d. The combined flow rate of the four commingled zones has dropped to 22.0 10^3 m^3/d and is currently producing on timer due to fluid loading. The addition of the Notikewin zone for commingled production is expected to maximize production and reserves recovery from the Falher C, Gething, Cadomin and Nikanassin zones. All five zones are sweet gas with considerable variation in current reservoir pressures for each zone. However, installation of several sliding sleeves and tubing profiles will allow for segregation of each zone for the period of any extended shut-in.

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 Notikewin (2911.0 - 2917.0 mKB), Falher C (2997.0 – 3017.0 mKB), 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 Notikewin 78%, Falher C 2%, Gething 10 %, Cadomin 5% and Nikanassin 5 %. The allocation factors may be amended to reflect results of any future tests.

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3. A segregated annual production test will be carried out on the Notikewin zone. The results of the annual production test will be submitted to the OGC in order to verify or modify the production allocation factors.
4. 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,

Richard Slocomb, P. Eng.
Supervisor,
Reservoir Engineering