



July 8, 2004

6480-2400/2515/2700/2800/2850-59070-20

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**

Copy

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	P.S. Attariwala
<input type="checkbox"/>	D. Krezanoski

RICHARD SLOCOMB

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 March 24, 2004, for approval to commingle gas production from Notikewin, Falher, Gething, Cadomin and Nikinassin 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 Nikinassin "C" pools. An interim approval to commingle the Cadomin and Nikinassin zones had previously been issued by the Commission (February 28, 2003) and as such these two zones are completed open hole. Currently the Notikewin and Gething zones are producing segregated, up the annulus and tubing respectively, at rates well above what would be considered economic. Burlington has suggested that the Gething and Cadomin/Notikewin zones are commingled behind casing due to very large fractures connecting the three zones. However, Burlington has been unable to validate this theory as a result of problems running recorders into the Cadomin/Nikinassin zone. However, a recent flow and build up and subsequent material balance analysis on the Gething zone indicates that the reservoir is limited in size and will likely be depleted within the next few years. Therefore commingled production of the Gething, Cadomin and Nikinassin is expected to maximize production and reserve recovery from all three zones. All three zones are sweet gas. Although the pressures are not expected to be similar a sliding sleeve is 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 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 Gething 50 %, Cadomin 25% and Nikinassin 25 %. 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.

The Commission would also like to take this opportunity to remind Burlington of its commitment to submit amended BC-S1 reports for the subject well, assigning production to the proper completion event sequence.

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Should you have any questions, please contact the undersigned at (250) 952-0311 or Richard Slocomb at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Attariwala". The signature is fluid and cursive, with a horizontal line underneath the name.

Peter Attariwala, P. Eng.
Supervisor
Reservoir Engineering