

September 23, 2010

4780-2400/2800/2850-59070-20

Neil Rubeniuk
Engineering Manager
Subsurface Regulatory & Royalty Optimization
ConocoPhillips Canada
2100, 250 - 6th Avenue S.W
Calgary, Alberta T2P 3H7

Dear Mr. Rubeniuk:

**RE: COMMINGLED PRODUCTION APPROVAL
COPL ET AL HIDING a-095-F/093-I-16; WA# 19520**

The OGC has reviewed your application dated September 8, 2010 requesting approval to commingle gas production from the Notikewin, Cadomin and Nikanassin formations in the subject well. The Commission has designated the zones under application to be part of the Hiding Creek – Notikewin “J”, Cadomin “B” and Nikanassin “H” gas pools.

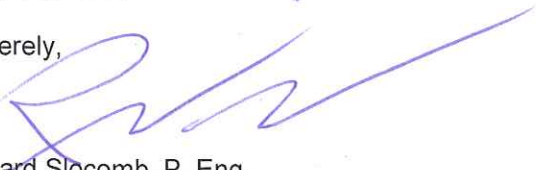
The Nikanassin and Cadomin were completed in the fall of 2005. In December 2005, the well commenced production from the Nikanassin formation at an initial rate of $13 \times 10^3 \text{m}^3/\text{d}$ and produced until August 2006 when it had declined to $1.8 \times 10^3 \text{m}^3/\text{d}$ and was subsequently shut in. The Notikewin was completed in August 2006, put on production at an initial production rate of approximately $2.1 \times 10^3 \text{m}^3/\text{d}$ and is currently producing $2.4 \times 10^3 \text{m}^3/\text{d}$.

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 (2588.0 – 2590.0 mKB), Cadomin (3088.0 – 3093.0 mKB) and Nikanassin (3126.0 – 3470.0 mKB) zones may be commingled.
2. Gas, condensate and water production from the commingled well should be allocated on the Ministry of Finance S-1, BC S-2 and BC 08 forms to the deepest (measured depth) active well event (UWI). Royalty will be calculated on a well production basis, as if production were being taken from a single zone. The Commission will allocate commingled production on the basis of Notikewin 35%, Cadomin 10% and Nikanassin 55%. 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) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering