



May 9, 2007

4780-2600/2800/2850-59070-20

Pooja Meda  
Reservoir Engineering EIT  
ConocoPhillips Canada Resources Corp.  
2100, Bow Valley Square Four  
250 – 6<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3H7

Dear Ms. Meda:

**RE: APPLICATION FOR COMMINGLED PRODUCTION  
BRC HTR ET AL HIDING b-53-G/93-I-16; WA# 21469**

The Commission has reviewed your application dated March 19, 2007, requesting approval to commingle gas production from the Bluesky, Cadomin and Nikanassin formations in the subject well.

The Commission has designated the gas pools under application to be the Hiding Creek – Cadomin “I” and Nikanassin “J”. No pay or pool has been assigned to the Bluesky at this time. Both the Cadomin and Nikanassin have been mapped as single well pools. The Cadomin and Nikanassin initially tested at 35.5 10<sup>3</sup> m<sup>3</sup>/d and 50.6 10<sup>3</sup> m<sup>3</sup>/d, respectively. Based on PTA data, production from the Cadomin and Nikanassin is expected to drop below 13 10<sup>3</sup> m<sup>3</sup>/d and 25 10<sup>3</sup> m<sup>3</sup>/d, respectively, after one month. The Cadomin and Nikanassin zones have typically been commingled in this area in order to optimize production and recovery. The Commission believes that commingled production will result in increased reserves recovery from the two pools in this well. Both zones are sweet gas at similar initial reservoir pressure.

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 Bluesky (3122.0-3128.0 mKB), Cadomin (3259.0.0–3265.0 mKB) and Nikanassin (3282.6 – 3523.8 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Bluesky 0%, Cadomin 30 % and Nikanassin 70%. 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,

Richard Slocomb, P. Eng.  
Supervising Reservoir Engineer

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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: 6<sup>th</sup> Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744 www.ogc.gov.bc.ca