



November 2, 2007

4780-2800/2850-59070-20

Andrea Hahn, E.I.T.
Exploitation Engineer – Deep Basin
ConocoPhillips Canada Resources Corp.
2100, Bow Valley Square Four
250 – 6th Avenue SW
Calgary, Alberta T2P 3H7

Dear Ms. Hahn:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
BRC HTR ET AL HIDING a-37-G/93-I-16; WA# 20531**

The Commission has reviewed your application dated August 28, 2007, requesting approval to commingle gas production from the Cadomin and Nikanassin formations in the subject well.

The Commission has designated the gas pools under application to be the Hiding Creek – Cadomin “B” and Nikanassin “H”. Both the Cadomin and Nikanassin have been mapped as multi-well pools. The Cadomin and Nikanassin initially tested at $74.1 \times 10^3 \text{ m}^3/\text{d}$ and $164.4 \times 10^3 \text{ m}^3/\text{d}$, respectively. However, production from the Cadomin and Nikanassin has dropped to $30 \times 10^3 \text{ m}^3/\text{d}$ and $55 \times 10^3 \text{ m}^3/\text{d}$, respectively, after three months. 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 Cadomin (2964.0.0–2970.0 mKB) and Nikanassin (3005.0 – 3436.0 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 Cadomin 35 % and Nikanassin 65%. 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

RESOURCE CONSERVATION BRANCH

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