



January 30, 2007

4780-2800/2850-59070-20

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

Dear Ms. Meda:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
BRC HTR ET AL HIDING d-03-L/93-I-16; WA# 20269**

The OGC has reviewed your application dated January 15, 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 “E” and Nikanassin “E”. The Cadomin and upper Nikanassin zones were perforated and stimulated together, resulting in communication behind casing. Segregated production is not possible, though commingled production is expected to maximize production and reserve recovery. The Nikanassin tested at $140.0 \times 10^3 \text{ m}^3/\text{d}$ while the Cadomin flowed at $108.0 \times 10^3 \text{ m}^3/\text{d}$. 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 (2983.0 – 2988.0 mKB) and Nikanassin (2996.0 – 3145.0 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 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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