



December 31, 2007

4780-2515/2800/2850-59070-20

Andrea Hahn, EIT
Reservoir Engineer - Hiding
ConocoPhillips Canada Ltd.
PO Box 130, 401-9th Avenue S.W
Calgary, Alberta T2P 2H7

Dear Ms. Hahn:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
BRC HTR ET AL HIDING b-35-G/93-I-16; WA# 21719**

The OGC has reviewed your application dated September 17, 2007 requesting approval to commingle gas production from the Falher C, Cadomin and Nikanassin formations in the subject well.

The Commission has designated the gas pools under application to be the Hiding Creek – Falher C “H”, Cadomin “B” and Nikanassin “H”.

The well was completed in the Falher C, Cadomin and Nikanassin zones in March 2007. The Falher C has produced up the tubing/casing annulus since July 2007, but has experienced liquid loading due to low productivity (currently $18 \times 10^3 \text{ m}^3/\text{d}$). The Nikanassin has been on production up the tubing and is currently producing at $80 \times 10^3 \text{ m}^3/\text{d}$. The Cadomin tested at $33 \times 10^3 \text{ m}^3/\text{d}$ but has never been on continuous production. All three zones have similar gas composition. Although the Falher C has a lower reservoir pressure than the Cadomin and Nikanassin zones, a sliding sleeve will allow for isolation should the well be shut-in for an extended period of time. We concur that commingling of these zones will result in increased reserves recovery.

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 Falher C (2698.0 – 2711.0 mKB), Cadomin (3117.0–3121.0 mKB) and Nikanassin (3165.0–3461.0 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, BC S-2 and BC-08 forms on the basis of Falher C 20%, Cadomin 5% and Nikanassin 75%. The allocation factors may be amended to reflect results of any future tests.

2...

RESOURCE CONSERVATION

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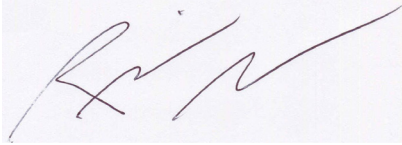
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3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering