



October 2, 2008

4780-2400/2505/2800/2850/-59070-20

Neil Rubeniuk
Engineering Manager
Subsurface Regulatory & Royalty Optimization
ConocoPhillips Canada Resources Corp.
2100 Bow Valley Square IV
250 – 6th Avenue S.W.
Calgary, Alberta T2P 3H7

Dear Mr. Rubeniuk:

**RE: COMMINGLED PRODUCTION APPROVAL
BRC HTR ET AL HIDING a-097-F/093-I-16; WA# 20397**

The OGC has reviewed your application dated August 29, 2008 (received September 23, 2008) requesting approval to commingle gas production from the Notikewin, Falher A, Cadomin and Nikanassin formations in the subject well.

The Commission has designated the gas pools under application to be part of the Hiding Creek – Notikewin “J”, Falher A “A”, Cadomin “B” and Nikanassin “H” pools. The Notikewin “J” and Falher A “A” are single well pools and the Cadomin “B” and Nikanassin “H” pools contain multiple wells.

The subject pools contain sweet gas. Upon completion, the Notikewin, Falher A, Cadomin and Nikanassin zones tested at final gas rates of 64 10³m³/d, 0 10³m³/d, 32 10³m³/d and 52 10³m³/d, respectively. The Nikanassin zone was placed on production in April 2006 and is currently producing segregated at 19 10³m³/d. The Notikewin, Falher A, and Cadomin zones are currently segregated behind pipe. Commingled production of these zones is expected to maximize 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 Notikewin, (2516.0 – 2564.0 mKB), Falher A (2603.0 – 2607.0 mKB), Cadomin (3040.0 – 3046.0 mKB) and Nikanassin (3154.0 – 3374.0 mKB) zones may be commingled.
2. Gas, condensate and water production from the commingled well should be allocated on the Ministry of Provincial Revenue BC 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 to the individual zones on the basis of Notikewin 44%, Falher A 1%, Cadomin 20% and Nikanassin 35%.

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RESOURCE CONSERVATION

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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 or Kelly Okuszko at (250)952-0325.

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