



March 23, 2007

5170-2200/2505-59070-20

Neil Rubeniuk
Engineering Supervisor
Sub-Surface Regulatory & Royalty Optimization
ConocoPhillips Canada Resources Corp.
PO Box 130, 401-9th Avenue S.W
Calgary, Alberta T2P 2H7

Dear Mr. Rubeniuk:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
BURLINGTON KELLY b-54-F/93-P-1; WA# 15076**

The OGC has reviewed your application dated November 8, 2006, requesting approval to commingle gas production from the Cadotte and Falher A formations in the subject well.

The Commission has designated the gas pools under application to be the Kelly – Cadotte “L” and Falher A “B”.

The Cadotte has been mapped as a two well pool. The Cadotte in the subject well is currently producing at $21.2 \times 10^3 \text{ m}^3/\text{d}$ with a cumulative production of $72.2 \times 10^6 \text{ m}^3$. The Cadotte “L” pool is nearing depletion. The Falher A has been mapped as part of a large multi-well pool. The Falher A in the subject well produced for five months prior to being suspended in April 2003 at a rate of $10.2 \times 10^3 \text{ m}^3/\text{d}$. The Falher A sand in the subject well appears to be of poorer quality than those found in other wells in the pool and is not expected to produce significant reserves. The Commission believes that commingled production will result in increased reserves recovery. Both zones are sweet gas with dissimilar reservoir pressures.

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 Cadotte (2176.0 – 2182.0 mKB) and Falher A (2288.0 – 2292.0 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 Cadotte 65 % and Falher A 35%. 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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