



April 19, 2006

6430-2505/2600-59070-20

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  
BRC HTR et al NOEL c-54-A/93-P-7; WA# 21507**

The Commission has reviewed your application dated March 5, 2007, requesting approval to commingle gas production from the Falher A and Bluesky formations in the subject well.

The Commission has designated the gas pools under application to be the Noel – Falher A “H” and Bluesky “B”.

Both the Falher A and Bluesky have been mapped as single well pools. The Bluesky in the subject well has been on production through the tubing since January 2007 and is currently producing at 142.1 10<sup>3</sup> m<sup>3</sup>/d. The Falher A tested at 11.5 10<sup>3</sup> m<sup>3</sup>/d upon initial completion and remains shut-in. Both zones are sweet gas with dissimilar initial reservoir pressures. The wellbore has been configured with a packer and sliding sleeve between each producing interval thereby allowing each zone to be segregated during an extended shut-in period. We concur that commingling of the Falher A and Bluesky production 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 A (2141.0 – 2147.0 mKB) and Bluesky (2487.5 – 2493.5 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 Falher A 10 % and Bluesky 90%. The allocation factors may be amended to reflect results of any future tests.
3. A segregated reservoir pressure must be obtained from the Falher A and Bluesky at a future date once the well has been on production for at least one year.
4. 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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**RESOURCE CONSERVATION BRANCH**

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