



April 30, 2008

6430-2000/2200/2510-59070-20

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 NOEL b- 036-K/093-P-01; WA# 10586**

The OGC has reviewed your application dated April 17, 2008 requesting approval to commingle gas production from the Paddy, Cadotte and Falher B formations in the subject well.

The Commission has designated the gas pools under application to be the Noel – Paddy “G”, Cadotte “G” and Falher B “F” pools.

In October 1997 the well was consecutively completed in the Falher B, Cadotte and Paddy. The Falher B and Cadotte zones tested at AOF rates of 176.4 10³m³/d and 18.7 10³m³/d, respectively. The Paddy demonstrated only slight gas blows (TSTM) during swabbing. Both the Cadotte and Paddy were shut in while the Falher B commenced production in March 1998. Production from the Falher B has declined to a current rate of 11.1 10³m³/d. Due to the lack of success during the Paddy completion, its contribution to the commingled production is expected to be negligible. 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 Paddy (2066.5 – 2071.1 mKB), Cadotte (2108.0 – 2112.0 mKB) and Falher B (2238.0 – 2245.0 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 S-8 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 Paddy 0%, Cadotte 65% and Falher B 35%.
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,

Richard Slocomb, P. Eng.
Supervisor Reservoir Engineering

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