



August 6, 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 NOEL c-091-I/093-P-02; WA# 23750**

The OGC has reviewed your application dated June 11, 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 part of the Noel – Paddy “I”, Cadotte “A” and Falher B “C” pools. The Paddy “I” is a single well pool and the Cadotte “A” and Falher B “C” pools contain multiple wells.

The subject pools contain sweet gas and have similar reservoir pressures. Upon completion, the Paddy, Cadotte and Falher B zones tested at AOF rates of 409.5 10³m³/d, 75.4 10³m³/d and 4.1 10³m³/d, respectively. The Paddy zone was placed on production in April 2008 and declined rapidly to 20.5 10³m³/d by mid June 2008. The Cadotte and Falher B 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 Paddy, (2110.9 – 2116.0 mKB), Cadotte (2156.2 – 2160.9 mKB) and Falher B (2289.0 – 2295.2 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 Paddy 40%, Cadotte 50% and Falher B 10%.

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RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC

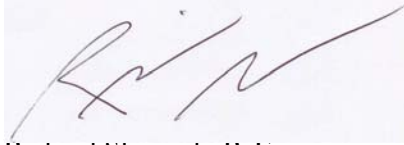
Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744
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3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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