



April 14, 2008

6480-2800/2850-59070-20

Chris Dittaro
Sr. Engineering Technologist
ConocoPhillips Canada Ltd.
PO Box 130, 401-9th Avenue S.W
Calgary, Alberta T2P 2H7

Dear Ms. Dittaro:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
BRC HTR ET AL OJAY c-93-H/93-I-9; WA# 20705**

The OGC has reviewed your application dated March 6, 2008 requesting approval to commingle gas production from the Cadomin and Nikanassin formations in the subject well.

The Commission has designated the gas pools under application to be the Ojay – Cadomin “M” and Nikanassin “M”.

Both the Cadomin and Nikanassin have been mapped as single well pools. Interim commingling was approved on February 24, 2006 to allow the acquisition of additional supporting data for a formal commingling application. On April 12, 2007 the interim commingling approval was modified to include the Falher C with Cadomin and Nikanassin zones. The Falher C zone was perforated and is currently behind a sliding sleeve as the zone did not produce. The Cadomin and Nikanassin zones were completed, stimulated and flow tested together at $127.0 \times 10^3 \text{ m}^3/\text{d}$. A spinner survey was used to determine appropriate allocation factors for each zone. Both zones have similar gas composition. These zones have typically been commingled in this area in order to optimize production and reserves recovery. Commingled production of these two zones is expected to increase production and 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 Cadomin (3391.0–3395.0 mKB) and Nikanassin (3416.0–3634.0 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, BC S-2 and BC-08 forms on the basis of Cadomin 20% and Nikanassin 80%. 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 Stocomb, P. Eng.
Supervisor, Reservoir Engineering

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 www.ogc.gov.bc.ca