October 28, 2008

6480-2200-2800/2850-59070-20

Christine Dittaro
Foothills – Sr. Engineering Technologist
ConocoPhillips Canada Ltd.
PO Box 4365, Postal Station C
CALGARY, AB T2T 5N2

Dear Ms. Dittaro:

RE: COMMINGLED PRODUCTION APPROVAL BRC HTR et al Ojav a-33-C/93-I-16; WA# 17628

The OGC has reviewed your application dated October 21, 2008, for approval to commingle gas production from the Cadotte, Cadomin and Nikanassin formations in the subject well. The Commission has designated the pools under application to be the Ojay – Cadotte "B", Cadomin "C" and Nikanassin "C" gas pools.

The Cadomin and Nikanassin zones in the subject well commenced commingled production in November, 2004 and have produced a total of 51.4 10⁶m³ of gas to date. The Cadotte zone has produced 29.4 10⁶m³ of gas since January, 2005 through a separate production string. All zones contain sweet gas. Commingled production is expected to maximize production and reserve recovery.

We wish to advise you that your application to commingle production is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

- 1. Production from the Cadotte (2652.0 2668.0 mKB), Cadomin (3265.0 3298.0 mKB) and Nikanassin (3298.0 3675.0 mKB) formations 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 Cadotte 30 %, Cadomin 15 % and Nikanassin 55 %.
- 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