



October 2, 2007

6480-2200/2400/2515/2700/2800/2850-59070-20

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 d-21-C/93-I-16; WA# 17517**

The Commission has reviewed your application dated August 16, 2007, requesting approval to commingle gas production from the Cadotte, Notikewin, Falher C, Gething, Cadomin and Nikanassin formations in the subject well.

The Commission has designated the gas pools under application to be the Ojay – Cadotte “B”, Notikewin “E”, Falher C “F”, Gething “G”, Cadomin “C” and Nikanassin “C”.

Formal approval to commingle production from the Gething, Cadomin and Nikanassin zones was issued May 1, 2007. The Cadotte, Notikewin and Falher C zones had been commingled up the tubing/casing annulus. The Cadotte zone did not flow after perforation and fracture stimulation. Similarly the Falher C flowed at very low rates after completion. Therefore production was allocated 100% to the Notikewin zone, which tested at $95.0 \times 10^3 \text{ m}^3/\text{d}$ after fracture stimulation. The Notikewin has been on production since April 2007 and has produced $22.7 \times 10^6 \text{ m}^3$ of gas. Production rates have fallen off sharply over the last few months due to liquid loading and the Notikewin is currently experiencing unstable rates. The commingled Gething, Cadomin and Nikanassin zones are currently producing at $56.0 \times 10^3 \text{ m}^3/\text{d}$. Commingled production is expected to stabilize production from the Notikewin and should 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 Cadotte (2706.0 – 2723.0 mKB), Notikewin (2815.0 – 2836.0 mKB), Falher C (2942.0 – 2945.0 mKB), (Gething (3261.0 – 3284.0 mKB), Cadomin (3290 – 3296.0 mKB) and Nikanassin (3349.0 – 3540.5 mKB) zones may be commingled.

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RESOURCE CONSERVATION BRANCH

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

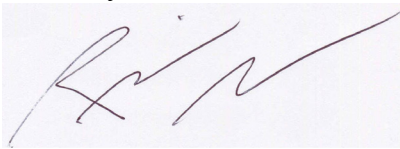
Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744 www.ogc.gov.bc.ca

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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 Cadotte 0%, Notikewin 80%, Falher C 0%, Gething 0%, Cadomin 3% and Nikanassin 17%. 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,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

Richard Slocomb, P. Eng.
Supervising Reservoir Engineer