



June 30, 2006

6480-2200/2400/2515/2600/2700/2800/2850-59070-20

Bill Partridge, P.Eng.
Foothills Exploration & Development
ConocoPhillips Canada
PO Box 4365, Postal Station C
CALGARY, AB T2T 5N2

Dear Mr Partridge:

**RE: APPLICATION FOR INTERIM COMMINGLED PRODUCTION APPROVAL
DEVON ARL et al OJAY c-65-C/93-I-16; WA# 19123**

The OGC has reviewed your application dated May 29, 2006, for interim approval to commingle gas production from Cadotte, Notikewin, Falher C, Bluesky, Gething, Cadomin and Nikanassin formations in the subject well.

The subject well has recently been drilled and is currently awaiting completion of seven zones identified as having hydrocarbon potential. Log analysis and offset production information indicates that five of the seven zones will likely be marginal. Only the Falher C and Notikewin show potential for significant productivity. This situation is similar to what is found in the Deep Basin area, where the OGC has introduced modified commingling requirements. The Commission agrees that commingling of the marginal zones will maximize production and reserve recovery. Therefore a similar approach is warranted for the subject well. As an additional measure, ConocoPhillips has committed to running packers and sliding sleeves between each of the lower completion intervals and will run a dual string to allow segregated production from the shallowest producing horizon.

We wish to advise you that your application to commingle production is hereby granted **interim** 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, Notikewin, Falher C, Bluesky, Gething, Cadomin and Nikanassin formations may be commingled.
2. A production test must be completed to establish the AOF and initial reservoir pressure for all productive zones, and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
3. Despite condition 2, the Cadomin and Gething intervals may be completed and stimulated together, as one zone. Should total productivity from these two zones exceed $60.0 \text{ } 10^3 \text{ m}^3/\text{d}$ ConocoPhillips must contact the Commission to discuss the test results prior to proceeding with operations on further up-hole zones.

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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

4. A formal application for commingled production must be submitted with supporting test data, gas analysis and proposed allocation factors for production reporting both gas and liquids.
5. Should productivity from the Notikewin exceed a normalized inflow capability of $100.0 \text{ } 10^3 \text{ m}^3/\text{d}$, segregated production of the Notikewin will be required up the short string.
6. Should productivity of the Falher C exceed a normalized inflow capability of $100.0 \text{ } 10^3 \text{ m}^3/\text{d}$, additional segregated production and pressure testing may be imposed as a condition of final approval..
7. Formal approval for commingled production will not be authorized until all of the conditions above have been met.

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.
Supervisor
Reservoir Engineering