OIL AND GAS COMMISSION

June 19, 2006

6480-2515/2800-59070-20

Bill Partridge
ConocoPhillips Canada
2100 Bow Valley Square IV,
250 – 6th Avenue SW
CALGARY AB, T2P 3H7

Dear Mr. Partridge:

RE: APPLICATION FOR COMMINGLED PRODUCTION
BRC HTR et al Ojay c-45-C/093-I-16; WA# 18101

The OGC has reviewed your application dated May 1, 2006, requesting approval to commingle gas production from the Falher C and Cadomin formations in the subject well.

The Commission has designated the gas pools under application to be the Ojay – Falher C "B" and Cadomin "C".

The Falher C has been mapped as part of a six well pool, with three wells currently producing and two recently suspended producing wells. The Falher C in the subject well is currently producing at 6.7 10^3 m^3/d and is experiencing liquid loading problems. The Cadomin has been mapped as part of a three well pool, with all three wells on production. The Cadomin in the subject well is currently producing at 26.5 10^3 m^3/d. Several wells within the area have been approved for commingling in multiple zones, including the Falher C and Cadomin. We concur that commingled production through the tubing will eliminate liquid loading issues thereby extending the productive life of the Falher C zone. Both zones are sweet gas with dissimilar initial reservoir pressures. ConocoPhillips has committed to maintaining a sliding sleeve in order to allow segregation during extended periods of shut-in.

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 Falher C (2819.0 – 2821.0 mKB) and Cadomin (3240.0 – 3273.5 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 and BC S-2 forms on the basis of Falher C 35 % and Cadomin 65%. 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 Slocomb, P. Eng.
Supervisor, Reservoir Engineering

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