



May 1, 2007

6480-2700/2800/2850-59070-20

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 March 27, 2007, requesting approval to commingle gas production from the Gething, Cadomin and Nikanassin formations in the subject well.

Verbal approval to commingle production from the Gething, Cadomin and Nikanassin zones was issued January 18, 2007. The Gething and Cadomin zones were completed and stimulated together and tested at $46.0 \times 10^3 \text{ m}^3/\text{d}$. Log analysis indicated that the Gething was a poor zone and unlikely to contribute much production. Therefore all production from the Gething/Cadomin interval has been allocated to the Cadomin zone. The upper and lower Nikanassin intervals were perforated and fracture stimulated separately and tested at $158.0 \times 10^3 \text{ m}^3/\text{d}$ and $120.0 \times 10^3 \text{ m}^3/\text{d}$, respectively. Despite high initial productivity from the two Nikanassin zones, production is anticipated to fall off substantially over the first few months of production – consistent with other producing wells within the area. Commingled production of these three 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 Gething (3261.0 – 3284.0 mKB), Cadomin (3290 – 3296.0 mKB) and Nikanassin (3349.0 – 3540.5 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 Gething 0%, Cadomin 14% and Nikanassin 86%. 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.
Supervising Reservoir Engineer

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