

November 4, 2009

9030/8151-1500/2800-59070-20

Neil Rubeniuk
Subsurface Regulatory & Royalty Optimization
ConocoPhillips Canada
2100, 250-6th Avenue S.W
Calgary, Alberta T2P 3H7

Dear Mr. Rubeniuk:

**RE: COMMINGLED PRODUCTION APPROVAL
BRC HTR ET AL SUNDOWN B- 022-B/093-P-10; WA# 18234**

The OGC has reviewed your application dated October 14, 2009 requesting approval to commingle gas production from the Dunvegan and Cadomin formations in the subject well. The Commission has designated the zones under application to be part of the Sundown – Dunvegan “B” and Deep Basin - Cadomin “A” gas pools.

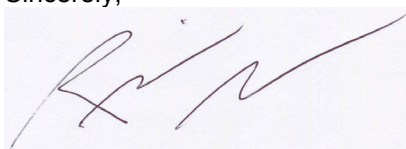
Both subject zones were completed in the winter of 2005. The Cadomin commenced segregated production in March 2005 at $37.9 \times 10^3 \text{m}^3/\text{d}$ and is currently producing $2.5 \times 10^3 \text{m}^3/\text{d}$. The Dunvegan had a final test gas rate of $8.5 \times 10^3 \text{m}^3/\text{d}$. Both zones contain sweet gas. We concur that commingling of these zones will result in increased 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 Dunvegan (989.0 – 994.0 mKB) and Cadomin (2275.0 – 2304.0 mKB) zones may be commingled.
2. Gas, condensate and water production from the commingled well should be allocated on the Ministry of Finance 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 on the basis of Dunvegan 65% and Cadomin 35%. 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) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering