OIL AND GAS COMMISSION

November 27, 2007 5200-4500/4700/4800/4900-59070-20

Dale Vardy, E.I.T.
BC Core Business Team
Petro-Canada Oil and Gas
P.O. Box. 2844
Calgary AB T2P 3E3

Dear Mr. Vardy:

RE: COMMINGLED PRODUCTION APPROVAL, AMENDMENT #1
PC TOWNSEND c-96-G/94-B-9; WA# 7021

An Interim commingled production approval was granted for the subject well, Charlie Lake, Artex, Halfway and Doig formations, on March 1, 2007. Field work was completed in July and the required supplemental data was submitted on August 29, 2007.

OGC staff have reviewed the provided completion and test information. The Artex interval 1657.5 - 1675.2 mKB has been identified as completion event 03. The completion interval of 1515.0 - 1540.0 mKB is noted as the Charlie Lake (completion event 04), in keeping with historic mapping and reserves identification in the Kobes field.

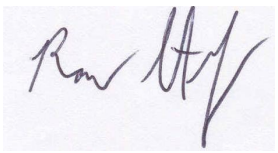
A previous approval dated March 5, 2001 allowed commingled production of the Halfway "D" and Doig "C" pools in this well, reported 50/50 with a combined total gas rate of ~30 $10^3m^3/d$. The recent production test of the Artex and Charlie Lake flowed gas at a rate of 4.4 $10^3m^3/d$, all attributed to the Charlie Lake. Total ultimate contribution from these new zones is expected to be limited, however the commingled rates may mitigate potential liquid loading. Gas from all zones has similar sour content.

We wish to advise that your application to commingle production from the Charlie Lake, Artex, Halfway and Doig formations 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 Charlie Lake (1515.0 – 1540.0 mKB), Artex (1657.5 – 1675.2 mKB), Halfway (1702.0 – 1744.5 mKB) and Doig (1798.0 – 1805.0 mKB) 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 Charlie Lake 10%, Artex 0%, Halfway 45% and Doig 45 %. 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) 952-0310.

Sincerely,



Ron Stefik, AScT
Sr Reservoir Engineering Technologist