

November 5, 2009

4390-4980/5000-59070-20

David Langille, E.I.T  
Reservoir Engineer  
Shell Canada Upstream  
1500, 202-6<sup>th</sup> Ave SW  
CALGARY AB T2P 2R9

Dear Mr. Langille:

**RE: APPLICATION COMMINGLED PRODUCTION  
SHELL ET AL GROUND BIRCH 11-07-078-20W6M; WA# 24000**

The OGC has reviewed your revised commingling application, dated November 2, 2009, requesting permission to commingle gas production from the Doig and Montney formations in the subject well.

The Commission has designated the zones under application to be part of the Groundbirch – Doig Phosphates Beds “D” (2781.0 – 2783.0 mKB) and Montney “D” (2823.0 – 2963.0 mKB) gas pools.

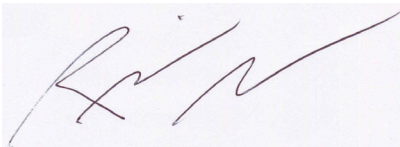
The subject well was completed in March 2009 and final gas rates  $4 \times 10^3 \text{m}^3/\text{d}$  and  $72 \times 10^3 \text{m}^3/\text{d}$  were measured for the Doig Phosphates Beds “D” and Montney “D” zones respectively. Initial pressures were measured with FRT tests. There has been no production from any of the zones to date. Both zones contained sweet gas. The Doig “H” and Doig “I” zones were also completed and tested but not included in the application.

We wish to advise you that your application to commingled production 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 Doig Phosphate Beds “D” (2781.0 – 2783.0 mKB) and Montney “D” (2823.0 – 2963.0 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 on the basis of Doig Phosphate Beds “D” 5% and Montney “D” 95%. 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