

September 8, 2009

4390-4900/4980/5000-59070-20

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

Dear Mr. Langille:

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

The OGC has reviewed your application dated June 22, 2009, requesting permission to commingle gas production from the Doig and Montney formations in the subject well.

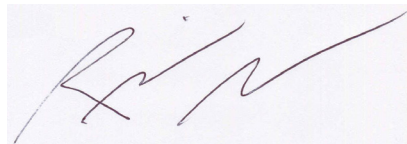
The Commission has designated the zones under application to be part of the Groundbirch – Doig “I” (2647.2 – 2683.2 mKB), Doig “H” (2724.9 – 2760.8 mKB), Doig Phosphates Beds “D” (2762.0 – 2784.5 mKB) and Montney “D” (2785.9 – 2992.4 mKB) gas pools.

The subject well was completed in March 2009 and final gas rates of 95 10³m³/d, 36 10³m³/d, 4 10³m³/d and 72 10³m³/d were measured for the Doig “I”, “H”, 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. The Doig “I” zone contains 400 ppm of H₂S and the remaining zones contain sweet gas.

Due to the lack of well control and production in the area, commingling of these four zones is considered premature. The Commission would like to see the Doig “I” produced segregated until the production decline and reserves potential are better understood. Shell may reapply for commingling at a later date once more technical data has been gathered from the Doig “I” in the subject well and the other Doig/Montney zones in offsetting wells.

Should you have any questions, please contact Ron Stefik at (250) 419-4430.

Sincerely,



Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering

cc. Rafael Linares, Shell Canada