

March 3, 2010

4780-2800-59240-06

Neil Rubeniuk  
Engineering Manager  
Sub-Surface Regulatory & Royalty Optimization  
ConocoPhillips Canada (BRC) Ltd.  
2100, 250 – 6<sup>th</sup> Avenue S.W.  
Calgary, Alberta, T2P 3H7

Dear Mr. Rubeniuk:

**RE: GOOD ENGINEERING PRACTICE APPROVALS  
HIDING CREEK – CADOMIN “B” AMENDMENT #1  
HIDING CREEK – NIKANASSIN “H” AMENDMENT #1**

Commission staff have reviewed the application, dated February 2, 2010, requesting amendment to existing Good Engineering Practice (GEP) approvals for producing gas from the subject pools.

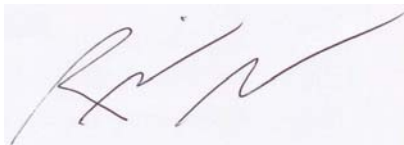
Production information indicates that individual wells in these tight formations will have limited effective drainage areas.

Attached are GEP Approvals 07-06-038 (Amendment #1) for the Hiding Creek Cadomin “B” and 07-06-039 (Amendment #1) for the Hiding Creek Nikanassin “H” pools, hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. Both amendments add one additional gas spacing area to the project, to facilitate continued development growth.

These approvals are intended to allow the drilling and production of gas wells at increased density without regard for normal spacing and target areas for maximization of gas recovery. No objections were received following notice of application on the OGC website.

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

Sincerely,



Richard Slocomb, P.Eng.  
Supervisor, Reservoir Engineering  
Resource Conservation  
Attachments

**APPROVAL 07-06-038 (AMENDMENT #1)**

**THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
DRILLING AND PRODUCTION REGULATION  
OIL AND GAS COMMISSION**

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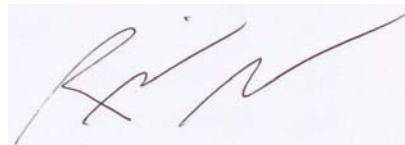
IN THE MATTER of a Good Engineering Practice (GEP) scheme of ConocoPhillips Canada (BRC) Ltd. (ConocoPhillips) for producing a portion of the Hiding Creek – Cadomin “B” gas pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends the GEP scheme of ConocoPhillips for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application to the Commission dated September 25, 2007, and February 2, 2010 and related submissions.*

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:
  - 93-I-16 Block F Units 51, 61, 72, 73, 82, 83
  - Block G Units 34 - 39, 44 - 49, 58 - 60 and 68 - 70.
2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of March 2010.

**APPROVAL 07-06-039 (AMENDMENT #1)**

**THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
DRILLING AND PRODUCTION REGULATION  
OIL AND GAS COMMISSION**

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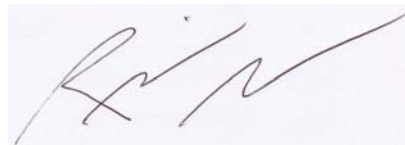
IN THE MATTER of a Good Engineering Practice (GEP) scheme of ConocoPhillips Canada (BRC) Ltd. (ConocoPhillips) for producing a portion of the Hiding Creek – Nikanassin “H” gas pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends the GEP scheme of ConocoPhillips for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application to the Commission dated September 25, 2007, and February 2, 2010 and related submissions.*

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