



December 7, 2010

6430-2600/2700/2800/2850-59240-06

Neil Rubeniuk
Engineering Manager
Sub-Surface Regulatory & Royalty Optimization
ConocoPhillips Canada Resources Corp.
P.O. Box 130, Station M
Calgary, Alberta, T2P 2H7

Dear Mr. Rubeniuk:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECTS
OTHER THAN NORMAL SPACING ORDERS
NOEL FIELD - BLUESKY, GETHING, CADOMIN, NIKANASSIN FORMATIONS**

The Commission has reviewed your application dated August 27, 2010, requesting approval of Good Engineering Practice for areas within the Noel field – Falher, Bluesky, Gething, Cadomin, and Nikanassin formations. Pools defined within the areas of application are the Bluesky “B”, Gething “F”, Cadomin “A”, Nikanassin “G”, and Nikanassin “H” pools. The Falher formation is not currently mapped within the area of application and therefore will not be considered for GEP at this time. Conoco may apply to amend the GEP once data for the Falher has been obtained.

While well control in the immediate area is limited, gas recovery from these tight formations would benefit from additional wells drilled in optimal locations.

As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Orders 10-06-051 and 10-06-052 designating Good Engineering Practice within the Noel field Bluesky, Gething, Cadomin, and Nikanassin formations as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 10-06-051–OTN and 10-06-052–OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formations and areas.

As a Good Engineering Practice special project the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts. No objections were received following notice of application on the OGC website.

Please note that commingled production from the zones approved for GEP continue to be subject to the requirements of the Deep Basin Commingling Guideline.

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
Resource Conservation

Attachments

IN THE MATTER of an application from ConocoPhillips Canada to the Commission dated August 27, 2010 for a Good Engineering Practice project.

ORDER 10-06-051

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Noel field – Bluesky, Gething, Cadomin, and Nikanassin formations are designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 93-P-02 Block F Units 94, 95

NTS 93-P-02 Block K Units 4, 5.



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 10th day of December 2010.

IN THE MATTER of an application from ConocoPhillips Canada to the Commission dated August 27, 2010 for Other Than Normal Spacing.

ORDER 10-06-051-OTN

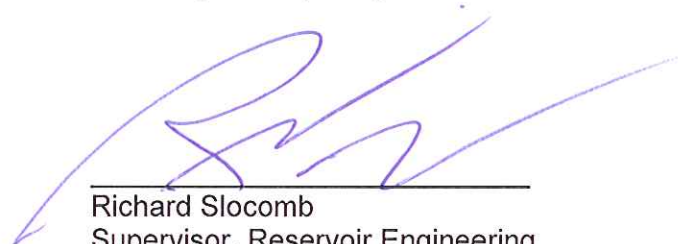
1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Noel field - Bluesky, Gething, Cadomin, and Nikanassin formations within the following area;

NTS 93-P-02 Block F Units 94, 95

NTS 93-P-02 Block K Units 4, 5.

2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:

- a) the target area for a gas well completed within the project area is not nearer than 250 m to the sides of the Other Than Normal Spacing area,
- b) a gas well completed outside the specified target area may be subject to an off-target production penalty,
- c) gas wells drilled within the specified project area are not subject to spacing requirements.



Richard Slocomb
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 7 day of December 2010.

IN THE MATTER of an application from ConocoPhillips Canada to the Commission dated August 27, 2010 for a Good Engineering Practice project.

ORDER 10-06-052

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Noel field – Bluesky, Gething, Cadomin, and Nikanassin formations are designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 93-P-02 Block G Units 98, 99

NTS 93-P-02 Block J Units 8, 9, 18, 19, 28, 29, 40, 50

NTS 93-P-02 Block K Units 31, 41.

A handwritten signature in black ink, appearing to read 'Alex Ferguson', written over a horizontal line.

Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 7 day of December 2010.

IN THE MATTER of an application from ConocoPhillips Canada to the Commission dated August 27, 2010 for Other Than Normal Spacing.

ORDER 10-06-052-OTN

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Noel field - Bluesky, Gething, Cadomin, and Nikanassin formations within the following area;


NTS 93-P-02 Block G Units 98, 99

NTS 93-P-02 Block J Units 8, 9, 18, 19, 28, 29, 40, 50

NTS 93-P-02 Block K Units 31, 41.

2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:

- a. the target area for a gas well completed within the project area is not nearer than 250 m to the sides of the Other Than Normal Spacing area,
- b. a gas well completed outside the specified target area may be subject to an off-target production penalty,
- c. gas wells drilled within the specified project area are not subject to spacing requirements.



Richard Slocomb
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 7 day of December 2010.