



January 12, 2011

4780-2515-59240-06

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
HIDING CREEK FIELD – FALHER C “K” POOL**

The Commission has reviewed your application dated November 22, 2010, requesting Good Engineering Practice approval for an area within the Hiding Creek field Falher C formation. The Commission maps the area of application within the Falher C “K” pool.

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 11-06-002 designating Good Engineering Practice within the Hiding Creek field Falher C “K” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 11-06-002–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.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,

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

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

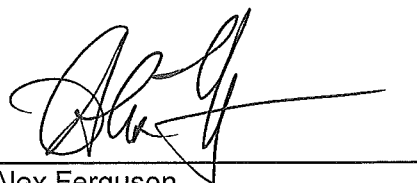
Attachments

IN THE MATTER of an application from ConocoPhillips Canada to the Commission dated November 22, 2010 for a Good Engineering Practice project.

ORDER 11-06-002

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Hiding Creek field Falher C "K" pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 93-I-16 Block H Units 16, 17, 26 and 27.



Alex Ferguson
Commissioner
Oil and Gas Commission

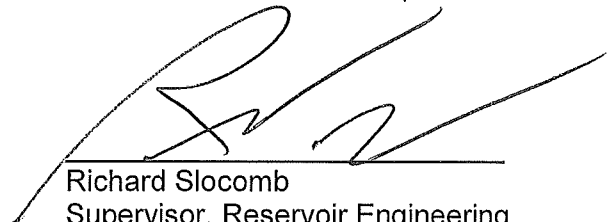
DATED AT the City of Victoria, in the Province of British Columbia, this 12 day of January 2011.

IN THE MATTER of an application from ConocoPhillips Canada to the Commission dated November 22, 2010 for Other Than Normal Spacing.

ORDER 11-06-002-OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Hiding Creek field Falher C "K" pool within the following area;
NTS 93-I-16 Block H Units 16, 17, 26, and 27.

- 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 12 day of January 2011.