

April 30, 2014

5170-1420/2700/2800-59070-20

Neil Rubeniuk
ConocoPhillips Canada
401 – 9th Avenue, SW
P.O. Box 130, Station 'M'
CALGARY, AB T2P 2H7

Dear Mr. Rubeniuk:

RE: COMMINGLED PRODUCTION SPECIAL PROJECT
COPOL ET AL KELLY A-003-I/093-P-01; WA # 14068

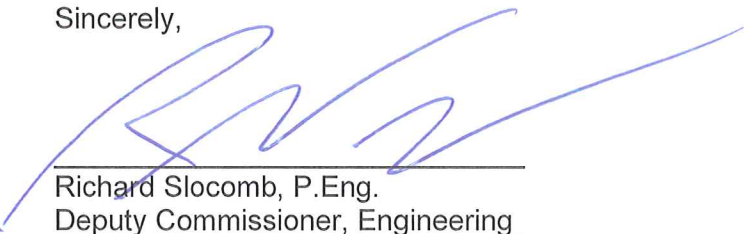
The Oil and Gas Commission (Commission) has reviewed your application dated April 28, 2014 requesting approval to commingle gas production from the Cadomin "A", Gething "G" and Doe Creek "D" formations in the subject well. The well was approved for commingled production from the Cadomin and Gething zones on May 26, 2004. The Doe Creek formation was completed prior to that approval, but was segregated from production by a closed sliding sleeve.

The Cadomin, Gething and Doe Creek zones were completed in July 2001 and flow tested at 42.4 e³m³/d, 275.5 e³m³/d and 0 e³m³/d respectively. The Gething was put on production in 2001, while the Cadomin and Doe Creek were shut-in behind closed sliding sleeves. In 2004, with the Gething largely depleted, a commingle application was approved and the Cadomin was brought on production with allocation factors of Cadomin 65% and Gething 35%. Currently, a plunger lift is operating in this wellbore to help lift fluids to surface. The lift operation can be optimized by increasing pressure on the casing side of the well, which will be accomplished by opening the Doe Creek sliding sleeve. Although the initial pressures in these zones were too dissimilar for commingled production, the depleted state of the Gething and Cadomin now allows for safe commingling with Doe Creek.

Attached please find Order 04-20-001 Amendment #1 designating an area in the Kelly field within the subject formations a Special Project under section 75 of the *Oil and Gas Activities Act* for Commingled Production.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Gaucher at (250) 419-4482.

Sincerely,



Richard Slocomb, P.Eng.
Deputy Commissioner, Engineering
Oil and Gas Commission

Attachment

IN THE MATTER of an application from ConocoPhillips Canada to the Oil and Gas Commission dated April 28, 2014 for Commingled production approval amendment.

ORDER 04-20-001 Amendment #1

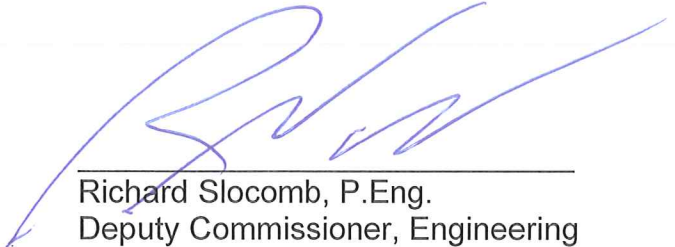
- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Commission designates the commingling of production from the Kelly field – Cadomin “A”, Gething “G”, and Doe Creek “D” pools as a special project for the enhanced recovery of natural gas by commingling production within the following area;

NTS 93-P-1 Block H – Units 92, 93

Block I - Units 2, 3.

- 2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions:

- a) Production from the Cadomin, Gething and Doe Creek zones may be commingled through the well COPOL et al Kelly a-3-I/93-P-1 (WA # 14068).
- b) Gas, condensate and water production from the commingled well must be allocated on the Ministry of Finance BC-S1, BC-S2 and BC-08 forms on the basis of Cadomin 65%, Gething 35% and Doe Creek 0%. The allocation factors may be amended to reflect results of any future tests.



Richard Slocomb, P.Eng.
Deputy Commissioner, Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 30th day of April 2014.