

November 3, 2006

2100-4700-59240-09

Ian Wacker, P.Eng
Reservoir Engineer
ConocoPhillips
2100, 250 – 6th Avenue SW
Calgary, AB T2P 3H7

Dear Mr. Wacker:

**RE: CONCURRENT PRODUCTION APPROVAL
PRESSURE MAINTENANCE APPROVAL RESCINDED
BRASSEY - ARTEX "A", "B", "D" AND "G" POOLS**

A pressure maintenance gas re-injection scheme for the purpose of improved oil recovery was approved on June 29, 1989 for the Brassey Artex "B" and Artex "D" pools. Subsequent amendments included the Artex "A" and "G" oil pools to the approval, and altered the original conditions.

These pools are now highly mature, having achieved a combined oil recovery of 49% of the original oil in place. A total of 23 wells have produced from these pools. Production was reported from only 6 of these wells in July 2006, with 5 wells showing oil volumes. Individual well oil rates range from 0.1 to 0.6 m³/d (total combined oil rate = 2.2 m³/d). Gas rates range from 2.0 to 12.6 10³m³/d per well (total combined gas rate = 42.7 10³m³/d). Multiple other wells reported minor gas production within the previous 12 month period but are currently inactive.

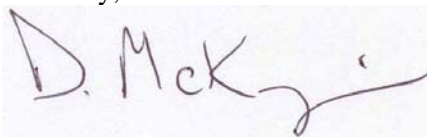
As gas re-injection has ceased, the pressure maintenance gas re-injection approval is hereby rescinded. Further production is deemed to be final blow-down of associated gas reserves.

Correspondence between ConocoPhillips and the OGC initiated on March 28, 2006 investigated changing the primary product of these wells from oil to gas. In order to properly account for solution gas reserves and the non-conservation royalty status of this gas, these wells will continue to be recognized as primary product oil. Attached is Concurrent Production approval 06-07-006, granted under Section 97 of the Petroleum and Natural Gas Act. This approval is intended to permit continued blow-down production without allowable restrictions. The effective date of the Concurrent Production approval is August 1, 2003, the date following the last production deemed native gas.

The Operations Engineering Branch of the OGC should be consulted on any matter related to production measurement, and has responded in regards to a reduced schedule for oil well testing for Brassey Artex wells.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,



Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

APPROVAL 06-07-006

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION

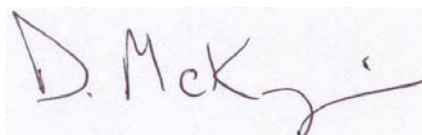
IN THE MATTER of a Concurrent Production scheme of ConocoPhillips Canada Resources Corp. (CococoPhillips) for producing the Brassey – Artex “A”, B”, “D” and “G” oil pools without a project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to Section 97 of the Petroleum and Natural Gas Act, hereby approves a Concurrent Production scheme of ConocoPhillips for oil and gas production without project allowables, as such scheme is issued in place of

an Approval for Pressure Maintenance under section 116 of the Act, originally dated June 29, 1989.

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

1. The area of the scheme shall consist of;
 - 93-P-10 Block B - Units 80, 89, 90
 - Block C - Units 61-63, 71-73, 81-83, 91-95
 - Block F - Units 2-4, 12-15, 22-25, 33-36, 43-46, 53-56
 - Twp 76 Rge 19 - Sect 35, partial Lsd's 15 & 16
 - Sect 36, partial Lsd's 13-16
 - Twp 77 Rge 19 - Sect 1, E/2 Sect 2, E/2 Sect 11, Sect 12.
2. The project daily oil allowable is waived.
3. The project daily gas limit is waived.
4. All produced gas must be conserved.
5. The effective date of this approval is August 1, 2003 which is the date following the last production of native conservation gas from the Brassey field.
6. The requirements of Section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
7. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved area.
8. This approval may be modified or rescinded at a later date if deemed appropriate.



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of November 2006.