



January 5, 2011

9030-2800-59240-06

Neil Rubeniuk
Engineering Manager
Sub-Surface Regulatory & Royalty Optimization
ConocoPhillips Canada Operations Ltd.
2100 Bow Valley Square IV
250 – 6th Avenue S.W.
CALGARY, AB T2P 3H7

Dear Mr. Rubeniuk:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT – AMENDMENT #4
OTHER THAN NORMAL SPACING ORDER – AMENDMENT #4
DEEP BASIN – CADOMIN FORMATION**

The Commission has reviewed your application dated October 19, 2010, requesting amendment of a Good Engineering Practice approval for the Brassey field - Cadomin formation.

The Commission maps this area within a portion of the Deep Basin - Cadomin "A" pool. Gas recovery from this resource will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites.

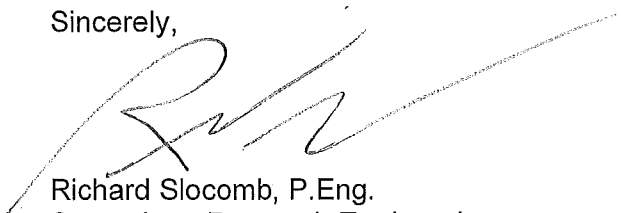
As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Order 04-06-012 (Amendment #4) designating a Good Engineering Practice within a portion of the Deep Basin – Cadomin "A" gas pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 04-06-012–OTN (Amendment #4) approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

Twenty five gas spacing units have been added to the project area as a result of the amendment. 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.

Should you have any questions, please contact Richard Slocomb at (250) 419-4421 or Kelly Okuszko at (250) 419-4433.

Sincerely,



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

Attachments

IN THE MATTER of an application from ConocoPhillips Canada Operations Ltd. to the Commission dated October 29, 2010 for a Good Engineering Practice project.

ORDER 04-06-012 (Amendment #4)

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, a portion of the Deep Basin – Cadomin “A” pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

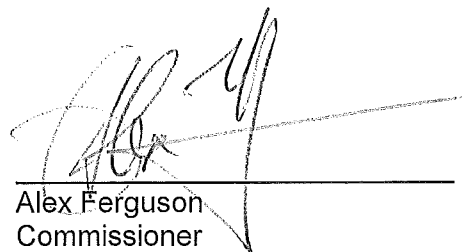
NTS 93-P-6: Block I – units 91-95

NTS 93-P-7: Block K – unit 100
Block L – units 91-100

NTS 93-P-10: Block B – units 60, 70, 80, 90, 100
Block C – units 10, 20, 30, 40, 50, 51, 58-61, 68-75, 78-85, 88-95, 100
Block D – units 1-35, 40-45, 50-100
Block E – units 1-30, 38-40, 48-50, fractional units 51-60
Block F – units 1-5, 10, 14-17, 20, 24-27, 30, 34-39, 44-49, fractional units 58-60
Block G – unit 10

NTS 93-P-11: Block A – units 1-5, 11-15, 21-25, 31-35, 41-45, 51-59, 61-69, 71-100
Block B – units 71, 81, 91
Block G – units 1, 11, 21, 31, 41 fractional unit 51
Block H – units 1-50, fractional units 51-60

DLS 76-19 W6M – fractional sections 31-34
DLS 76-20 W6M – fractional sections 31-36
DLS 76-21 W6M – fractional section 36
DLS 77-19 W6M – sections 3-6, 8, 9
DLS 77-20 W6M – sections 1-11, 14-22
DLS 77-21 W6M – sections 1, 12, 13 and 24



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 5 day of January 2011.

IN THE MATTER of an application from ConocoPhillips Canada Operations Ltd. to the Commission dated October 29, 2010 for Other Than Normal Spacing.

ORDER 04-06-012-OTN (Amendment #4)

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within a portion of the Deep Basin – Cadomin “A” pool within the following area;

NTS 93-P-6: Block I – units 91-95

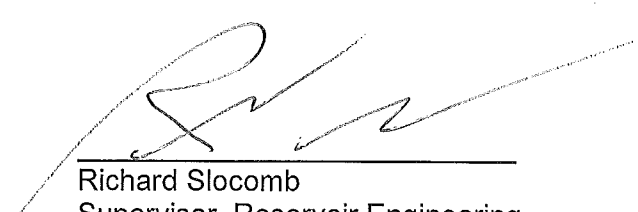
NTS 93-P-7: Block K – unit 100
Block L – units 91-100

NTS 93-P-10: Block B – units 60, 70, 80, 90, 100
Block C – units 10, 20, 30, 40, 50, 51, 58-61, 68-75, 78-85, 88-95, 100
Block D – units 1-35, 40-45, 50-100
Block E – units 1-30, 38-40, 48-50, fractional units 51-60
Block F – units 1-5, 10, 14-17, 20, 24-27, 30, 34-39, 44-49, fractional units 58-60
Block G – unit 10

NTS 93-P-11: Block A – units 1-5, 11-15, 21-25, 31-35, 41-45, 51-59, 61-69, 71-100
Block B – units 71, 81, 91
Block G – units 1, 11, 21, 31, 41 fractional unit 51
Block H – units 1-50, fractional units 51-60

DLS 76-19 W6M – fractional sections 31-34
DLS 76-20 W6M – fractional sections 31-36
DLS 76-21 W6M – fractional section 36
DLS 77-19 W6M – sections 3-6, 8, 9
DLS 77-20 W6M – sections 1-11, 14-22
DLS 77-21 W6M – sections 1, 12, 13 and 24

- 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 5 day of January 2011.