

December 10, 2008 4780-2850-59240-06

Neil Rubeniuk Subsurface Regulatory & Royalty Optimization ConocoPhillips Canada Resources Corp. 2100 Bow Valley Square IV 250 – 6th Avenue S.W. Calgary AB T2P 3H7

Dear Mr. Rubeniuk:

RE: GOOD ENGINEERING PRACTICE APPROVAL HIDING CREEK – NIKANASSIN "D" POOL

The Commission has reviewed your application dated October 15, 2008 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the Hiding Creek Nikanassin "D" pool.

Attached is GEP scheme Approval 08-06-049, hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. No objections were received following posting of notice of the application on the OGC website.

This approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing, target or production considerations for maximization of gas recovery.

Should you have any questions, please contact the undersigned (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Richard Slocomb, P. Eng.

Supervisor, Reservoir Engineering

Resource Conservation

Attachment

APPROVAL 08-06-049

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of ConocoPhillips Canada Resources Corp. (ConocoPhillips) to produce gas from a portion of the Hiding Creek - Nikanassin "D" pool without well spacing, target or production restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of ConocoPhillips for drilling wells without spacing, target or production restrictions, as such scheme is described in

an Application from ConocoPhillips to the Commission dated October 15, 2008.

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

- 1. The area of the project shall consist of:
 - 093-I-16 Block H units 16, 17, 26 and 27.
- 2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
- 3. The gas wells within the project area may be produced without individual well allowable restrictions.
- 4. This approval may be modified or rescinded at a later date if deemed appropriate.

Richard Slocomb

Supervisor, Reservoir Engineering

Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 10th day of December 2008.