



October 24, 2005

2020-4540/4800-59070-20
OGC – 05288

Jane MacTaggart
VP Exploitation
Iteration Energy Ltd.
Suite 700, 700 – 2nd Street SW
CALGARY AB T2P 2W1

Dear Ms. MacTaggart:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
ITERATION N BOUNDARY 14-33-87-14 W6M; WA# 14992**

The Commission has reviewed your application dated October 11, 2005 requesting permission to commingle production from the Coplin and Halfway formations encountered in the subject well.

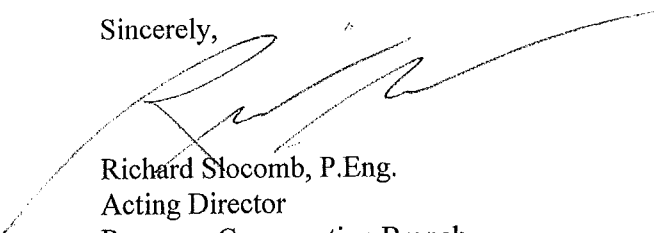
The Commission has designated these pools as the Boundary Lake North – Coplin “B” and Halfway “L” gas pools. The Coplin has been on production through the annulus since October 2002 and has produced 6.2 10⁶ m³ and is currently producing at 4.4 10³ m³/d. The Halfway has been on production through the tubing since August 2002 and has produced 26.5 10⁶ m³ and is currently producing at 9 10³ m³/d. Both zones are severely depleted and contain similar gas compositions. The Coplin zone is experiencing liquid loading problems. Commingled production through the production tubing will improve liquid loading thereby extending the economic life of this well. Iteration Energy Ltd. is the operator of all wells in both pools.

We wish to advise you that your application to commingle production is hereby approved, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Coplin (1280.5–1283.5 mKB) and Halfway (1327.0–1333.5 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Coplin 35% and Halfway 65%. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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

Sincerely,


Richard Slocomb, P.Eng.
Acting Director
Resource Conservation Branch

**Approval Letters to Industry
COMMINGLED PRODUCTION**

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<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

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