



OIL AND GAS COMMISSION

October 27, 2005

Approval Letters to Industry
COMMINGLED PRODUCTION
Copy 8

2020-4100/4540-59070-20
OGC - 05289

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

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

Dear Ms. MacTaggart:

RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
Iteration N Boundary A11-5-88-14 W6M; WA# 16036

The OGC has reviewed your application dated August 26, 2005, for approval to commingle gas production from the Baldonnel and Coplin formations in the subject well.

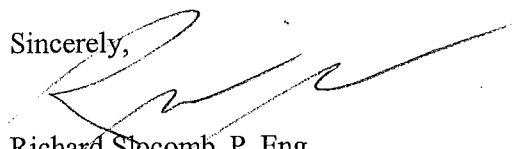
The Commission has designated the gas pools under application to be the Boundary Lake North - Baldonnel "D" and Coplin "B". The Baldonnel is mapped as a small single well pool with slightly sour gas composition. Both the Baldonnel and Coplin have been on production since February 2004. The Baldonnel produces through the annulus and has produced 0.8 10⁶ m³ and is currently producing at 3.2 10³m³/d. The Coplin "B" pool has been delineated by 10 wells, all operated by Iteration Energy. The Coplin has produced 9.5 10⁶ m³ and is currently producing at 13.5 10³ m³/d. Commingled production through the tubing will increase gas rates and improve liquid unloading thereby maximizing reserves recovery.

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

1. Production from the Baldonnel (1175.0 - 1177.0 mKB) and Coplin (1269.5 - 1270.5 mKB) may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Baldonnel 10 % and Coplin 90 %. 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

RESOURCE CONSERVATION BRANCH

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