



January 27, 2006

2020-4520/4535-59070-20  
OGC – 06030

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

Dear Ms. MacTaggart:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL  
Iteration N Boundary 14-10-88-14 W6M; WA# 16151**

The OGC has reviewed your application dated October 28, 2005, for approval to commingle gas production from the Cecil and Boundary Lake formations in the subject well.

The Commission has designated the gas pools under application to be the Boundary Lake North – Cecil “A” and Boundary Lake “B”. Both the Cecil and Boundary Lake have been mapped as a single well pool and both have been producing since April 2004. The Cecil produces through the annulus and has produced 0.08 10<sup>6</sup> m<sup>3</sup> and is capable of producing at only 1.0 10<sup>3</sup> m<sup>3</sup>/d. The Boundary Lake produces through the tubing and has produced 6.5 10<sup>6</sup> m<sup>3</sup> and is capable of producing at 10.4 10<sup>3</sup> m<sup>3</sup>/d. Reservoir pressures for the two zones are expected to be similar. The Cecil zone is slightly sour while the Boundary Lake is sweet. Commingled production through the tubing is expected to extend the productive life of the Cecil zone and maximize production and reserve recovery from both zones.

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 Cecil (1248.0 – 1250.0 mKB) and Boundary Lake (1279.0 – 1280.0 mKB) formations may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Cecil 10 % and Boundary Lake 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.  
A/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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