



October 05, 2005

2020/4500-4535-59070-20  
OGC – 05269

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 5-4-88-14 W6M; WA# 17486**

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

The Commission has designated the gas pools under application to be the Boundary Lake North – Charlie Lake “A” and Boundary Lake “C”. Both zones are mapped as single well pools. The Boundary Lake has been on production since July 2004 and has produced  $6.9 \times 10^6 \text{ m}^3$  and is currently producing at  $14.8 \times 10^3 \text{ m}^3/\text{d}$ . Charlie Lake, on the other hand, following perforation and swabbing had minimal gas inflow. Based on minimal inflow from the Charlie Lake and based on lack of pressure buildup, all production is expected from the Boundary Lake. It is expected that leaving Charlie Lake and Boundary Lake perforations open to the annulus should maximize gas 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 Charlie Lake (1211.5 - 1214.0 mKB) and Boundary Lake (1258.0 – 1259.0 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 Charlie Lake 0 % and Boundary Lake 100 %. 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. Krezasoski

**RESOURCE CONSERVATION BRANCH**

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