



November 8, 2005

2020-4535/4540-59070-20
OGC - 05309

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 APPROVAL
Iteration Boundary 7-20-88-14 W6M; WA# 15889

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

The Commission has designated the gas pools under application to be the Boundary Lake North - Boundary Lake "A" and Coplin "F". The Boundary Lake is mapped as a small single well pool. Both the Boundary Lake and Coplin have been on production since March 2004. The Boundary Lake has produced 2.8×10^6 m³ and is currently producing at 4.9×10^3 m³/d. The Coplin "F" pool has been delineated by 6 wells, all operated by Iteration Energy. The Coplin has produced 6.7×10^6 m³ and is currently producing at 9.9×10^3 m³/d. It is expected that commingled production through the tubing from both the Boundary Lake and Coplin should stabilize the fluids in the well bore 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 Boundary Lake (1237.0 - 1238.0 mKB) and Coplin (1255.0 - 1256.0 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 Boundary Lake 30 % and Coplin 70 %. 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,

FOR
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

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