



October 18, 2005

2020-4540/4800-59070-20

OGC – 05281

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 5-3-88-14 W6M; WA# 14868**

The Commission has reviewed your application dated September 29, 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 December 2002 and has produced 26.3 10⁶ m³ and is currently producing at 11 10³ m³/d. The Halfway has been on production through the tubing since July 2002 and has produced 37.3 10⁶ m³ and is currently producing at 17 10³ m³/d. Both zones are severely depleted and contain similar gas compositions. The Halfway 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 (1284.0–1285.0 mKB) and Halfway (1331.0–1349.0 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 45% and Halfway 55%. 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
Copy 8

<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

RESOURCE CONSERVATION BRANCH

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