



November 28, 2005

2020-4540/4800-59070-20  
OGC – 05330

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  
ITERATION N BOUNDARY 3-19-88-14 W6M; WA# 15112**

The Commission has reviewed your application dated October 11, 2005 requesting permission to commingle production from the Coplin and Halfway formations encountered in the subject well.

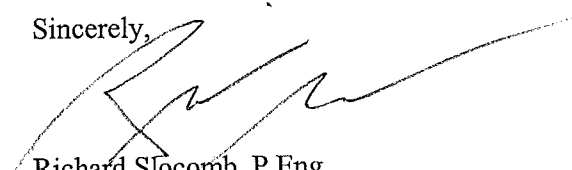
The Commission has designated these pools as the Boundary Lake North – Coplin “F” and Halfway “M” gas pools. The Coplin has been on production through the annulus since July 2003 and has produced 12.7 10<sup>6</sup> m<sup>3</sup> and currently producing at 13.2 10<sup>3</sup> m<sup>3</sup>/d. The Halfway is mapped as a single well pool which is severely depleted. The Halfway has been on production through the tubing since November 2002 and has produced 28.7 10<sup>6</sup> m<sup>3</sup> and is currently capable of producing at 10 10<sup>3</sup> m<sup>3</sup>/d. The Halfway zone has been experiencing tubing plugging. Commingled production through the production tubing will increase the gas velocity and improve liquid unloading 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 (1239.6–1240.6 mKB) and Halfway (1286.3–1290.3 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 65% and Halfway 35%. 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 checked="" type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
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