



November 21, 2005

2020-4500/4535/4540-59070-20
OGC – 05321

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 N Boundary 5-4-88-14 W6M; WA# 17486

The OGC has reviewed your application dated October 27, 2005, for approval to commingle gas production from the Coplin formation with that of Charlie Lake and Boundary Lake formations in the subject well.

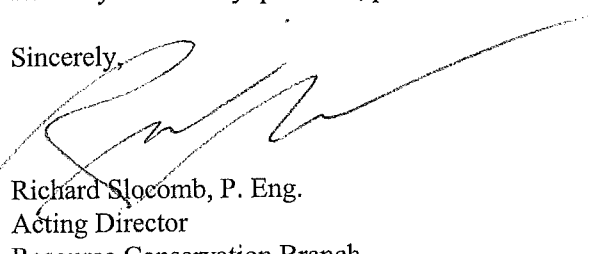
The Commission has designated the gas pools under application to be the Boundary Lake North – Charlie Lake “A”, Boundary Lake “C” and Coplin “B”. Both the Charlie Lake and the Boundary Lake zones are mapped as single well pools whereas the Coplin has been delineated by 12 gas wells, all operated by Iteration. The Boundary Lake has been on production since July 2004 and has produced 7.0 106 m3 and is currently producing at 9.6 103m3/d. An approval to commingle production from the Charlie Lake and Boundary Lake was granted on October 5, 2005. As the Coplin zone was completed in mid-September 2005, only test gas production data is available at this time. Commingling of Charlie Lake, Boundary Lake and Coplin production through the production tubing should increase the gas velocity and improve liquid unloading thereby increasing gas rates and ultimate gas recovery from this well.

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), Boundary Lake (1258.0 – 1259.0 mKB) and Coplin (1277.0-1278.0 mKB) 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 Charlie Lake 0 %, Boundary Lake 60 % and Coplin 40%. 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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