



November 6, 2007

2020-4535/4540-59070-20

Andrew Taylor  
Operations Technician  
Iteration Energy Ltd.  
Suite 700, 700 – 2<sup>nd</sup> Street SW  
CALGARY AB, T2P 2W1

Dear Mr. Taylor:

**RE: COMMINGLED PRODUCTION APPROVAL**  
**Iteration N Boundary 8-8-88-14W6M; WA# 20206**

The OGC has reviewed your application dated August 15, 2007, 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 “C” and Coplin “B”. The Boundary Lake is a two well pool whereas the Coplin is a large multi-well pool. Commingling of Baldonnel “D” and Coplin “B” in this well was approved on June 30, 2006. However, production from the commingled Baldonnel and Coplin has been declining excessively due to scaling in the tubing. In an attempt to eliminate scaling problem and increase productivity, Iteration proposes to run dual coil strings into the wellbore. As a result the Baldonnel would be produced through one string and commingled Boundary Lake and Coplin through the other string. Approval to commingle production from the Coplin with other zones has been approved in several wells. The Boundary Lake and Coplin zones are sweet gas. Commingled production is expected to increase gas rates and unload fluids present in the wellbore 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 (1252.0 – 1253.0 mKB) and Coplin (1270.5 – 1272.5 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Boundary Lake 35 % and Coplin 65 %. 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) 952-0310.

Sincerely,

Ron Stefik, ASCT  
Sr. Reservoir Engineering Technologist

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**RESOURCE CONSERVATION BRANCH**

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