



November 7, 2005

6490-2700/4540-59070-20
OGC - 05308

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 Osborn 11-31-88-14 W6M; WA# 16118

The OGC has reviewed your application dated September 29, 2005, for approval to commingle gas production from the Gething and Coplin formations in the subject well.

The Commission has designated the gas pools under application to be the Osborn - Gething "A" and Coplin "C". The Gething has been delineated by 10 wells whereas the Coplin is a single well pool. The Gething has produced 2.4 10⁶ m³ and is currently producing at 8.1 10³m³/d. Only test flow rate, following perforation and frac stimulation, is available for the Coplin. The Coplin zone is sweet gas while the Gething is sour. A letter of no object to commingled production has been provided by the other operator of wells completed in the Gething "A" pool. We concur that commingled production through the tubing will 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 Gething (1079.0 - 1089.0 mKB) and Coplin (1204.5 - 1205.5 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 Gething 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,

FOR
Richard Slocomb
A/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

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