

May 25, 2009

0320-4980/5000-59070-20

D. John MacDonald, P.Eng.
Development Engineer
Talisman Energy Inc.
3400, 888-3rd Street S.W
Calgary AB T2P 5C5

Dear Mr. MacDonald:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
TALISMAN ALTAIRES c-85-I/94-B-01; WA# 24106**

OGC staff have reviewed your application dated March 31, 2009 requesting approval to commingle gas production from the Doig and Montney formations in the subject vertical well.

The Commission has designated the gas pools under application to be the Altares field – Doig Phosphate Beds “A” and Montney “B”, gross formation intervals of 2345 – 2377 mKB and 2377 – 2620 mKB, respectively. Please note that this Montney top is higher than that presented in the application. Also, for regulatory purposes the Commission does not differentiate between the presented Upper and Lower Montney, assigning all as a single Montney formation.

The current wellbore configuration groups the shallowest Montney perforation interval with the Doig. This Doig/Montney section, and the balance of the Montney perforations, were flow tested in isolation. The percentage of gas flow closely matched the results of the previous spinner survey production log. Both zones tested sweet gas, with similar expected reservoir pressure.

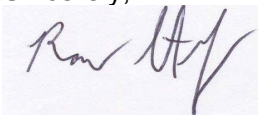
The Doig and Montney in this well were subject to multiple large size slick water fracture stimulations. Despite c-85-I being recognized as the discovery well of these two pools, the continuous strata of these deposits represents a large unconventional gas resource.

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 Doig Phosphate Beds (2356.0–2358.0 mKB) and the Montney (2380.0–2618.0 mKB) zones may be commingled.
2. Gas, condensate and water production from the commingled well should be allocated on the Ministry of Finance BC S-1, BC S-2 and BC 08 forms on the basis of Doig Phosphate Beds 5% and Montney 95%.
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