December 15, 2008

3230-2500/2800/2850-59070-20

Nkem Ejiofor Development Engineer Northern Outer Foothills Talisman Energy Inc. 2000, 888-3rd Street S.W Calgary, Alberta T2P 5C5

Dear Mr. Ejiofor:

RE: APPLICATION FOR COMMINGLED PRODUCTION TALISMAN COMMOTION a-89-J/93-P-3; WA# 22073

The OGC has reviewed your application dated October 17, 2008 requesting final approval to commingle gas production from the Falher, Cadomin and Nikanassin formations in the subject well.

An interim approval for commingled production was granted August 30, 2007 for the Falher, Cadomin and Nikinassin formations. Talisman completed the Falher and Cadomin zones with no gas production. The Nikinassin was perforated and fracture stimulated and tested at a final rate of 25.8 10³ m³/d. Despite no gas flow from the Falher and Cadomin zones all three zones have been left in a commingled state.

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 Falher (1765.0 1999.0 mKB), Cadomin (2689.0–2744.0 mKB) and Nikanassin (2761.0–3632.5 mKB) zones may be commingled.
- 2. Gas, condensate and water production from the commingled well should be allocated on the Ministry of Small Business and Revenue BC S-1, BC S-2 and BC 08 forms to the deepest (measured depth) active well event (UWI). Royalty will be calculated on a well production basis, as if production were being taken from a single zone. The Commission will allocate commingled production on the basis of Falher 0%, Cadomin 0% and Nikanassin 100%. 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.

Supervisor, Reservoir Engineering