



December 15, 2008

3230-2500/2700/2800/2850-59070-20

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 b-86-A/93-P-12; WA# 22658**

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

The Commission has designated the gas pools under application to be the Commotion – Falher “A”, Gething “B”, Cadomin “B” and Nikanassin “B”.

An interim approval for commingled production was granted October 3, 2007 for the Paddy, Cadotte, Falher, Gething, Cadomin and Nikinassin formations. Completions operations occurred between September 15, 2007 and October 15, 2007. The Paddy and Cadotte zones did not test gas and were subsequently abandoned. The Nikinassin, Cadomin and Gething zones were fracture stimulated at the same time and flowed on clean-up at $33.9 \times 10^3 \text{ m}^3/\text{d}$. The Falher zone was completed and fracture stimulated segregated and tested at $2.6 \times 10^3 \text{ m}^3/\text{d}$. All four zones were then tested together at a combined rate of $79.0 \times 10^3 \text{ m}^3/\text{d}$ and a DTS Analysis was run to determine the relative flow contribution from each flowing interval. A combination of the DTS results, individual test data and geophysical parameters were used to determine allocation factors. All four zones have similar gas composition. We concur that commingling of these zones will result in increased 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 Falher (1323.5 – 1333.0 mKB), Gething (1957.5–2245.0 mKB), Cadomin (2279.0–2287.0 mKB) and Nikanassin (2327.0–2338.0 mKB) zones may be commingled.

2...

RESOURCE CONSERVATION

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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 4%, Gething 37%, Cadomin 47% and Nikanassin 12%. 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,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering