



December 16, 2008

3230-2700/2800/2850-59070-20

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-35-B/93-P-12; WA# 22836**

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

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

An interim approval for commingled production was granted December 20, 2007 for the Gething, Cadomin and Nikinassin formations. The Nikinassin and Cadomin zones were completed and fracture stimulated together and no gas inflow was reported on clean-up. The Gething was perforated and fracture stimulated segregated and flowed on clean-up at a final rate of $3.5 \times 10^3 \text{ m}^3/\text{d}$. All three zones were tested commingled at $40.5 \times 10^3 \text{ m}^3/\text{d}$ and a spinner survey was run to determine the relative production contribution from each zone. Unfortunately the spinner survey was run through tubing and as a result the individual flow contribution from the Cadomin and Gething zones could not be determined. A combination of the spinner survey/temperature log results and clean-up flow from the Gething were used to determine production allocation factors. All three zones are sweet gas. 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 Gething (2555.0–2626.0 mKB), Cadomin (2654.0–2704.0 mKB) and Nikanassin (2726.0–3414.0 mKB) zones may be commingled.

2...

RESOURCE CONSERVATION

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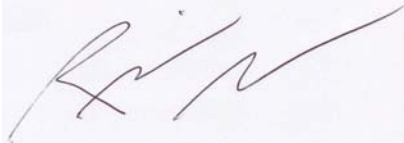
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2. Gas, condensate and water production from the commingled well should be allocated on the Ministry of Small Business and Revenue BC S-1, BC S-2 and BC 08 forms to the deepest (measured depth) active well event (UWI). Royalty will be calculated on a well production basis, as if production were being taken from a single zone. The Commission will allocate commingled production on the basis of Gething 20%, Cadomin 30% and Nikanassin 50%. 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