



OIL AND GAS COMMISSION

July 6, 2007

6490-4540-59240-06

Jane MacTaggart
VP Exploitation
Iteration Energy Ltd.
Suite 700, 700 – 2nd Street SW
Calgary AB T2P 2W1

Dear Mr. Taylor:

RE: GOOD ENGINEERING PRACTICE APPROVAL
BOUNDARY LAKE NORTH – COPLIN “B” POOL

Commission staff have reviewed your application dated May 15, 2007, requesting Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the Boundary Lake North – Colplin “F” pool. Due to a recent mapping re-interpretation, wells in this area are now attributed to the Boundary Lake North field – Coplin “C” pool.

A previous application in 2005 for GEP in this area was denied, however subsequent information now supports the necessity for increased well density. Attached is Approval 07-06-025, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. As the third GEP approval granted to Iteration Energy Ltd. in this pool (the others being Approval 05-06-038 & 06-06-026), this approval will be noted as “Iteration Project #3”.

This approval is intended to allow production of gas wells without spacing consideration for maximization of pool gas recovery; specifically, production from the existing wells 3-19-88-14 (WA# 15112) and 15-19-88-14 W6M (WA# 17433), resulting in 2 wells per gas spacing area.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

for Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 07-06-025

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Iteration Energy Ltd. (Iteration), for producing gas from a portion of the Boundary Lake North field – Coplin “B” pool without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Iteration as such scheme is described in

an Application from Iteration to the Commission dated May 15, 2007 and related submissions.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

Twp 88 Rge 14 W6M – section 19.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved project area.

3. The gas wells within the project area may be produced without individual well allowable restrictions.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



for Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 9th day of July 2007.