



April 11, 2006

2020-4540-59240-06
OGC – 06138

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

Dear Ms. Mactaggart:

**RE: APPLICATION FOR GOOD ENGINEERING PRACTICE
SECTION 19-88-14 W6M
BOUNDARY LAKE NORTH – COPLIN “B” POOL**

The Commission has reviewed your application dated December 16, 2005, requesting Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the subject pool. Additional information was presented at a meeting at our offices on March 29, 2006.

Notice of this application was published in two issues of the BC Gazette. A notice of objection to approval of this application, dated January 12, 2006, was filed by Canadian Natural Resources Limited.

The Commission agrees that reservoir pressure and production performance data support the interpretation of a reservoir with significant heterogeneity. Numerous wells intersecting this pool have been granted commingled production approval to maximize reserves recovery. However, the existing producing well, Iteration N Boundary 3-19-88-14 (WA 15112) is forecast to provide a high recovery of reserves within this gas spacing area. In the interest of equity, the OGC hereby denies this application. Only a single well may be produced at any time from the Boundary Lake North - Coplin “B” pool in section 19-88-14 W6M.

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

Sincerely,

Richard Slocomb, P.Eng.
A/ Director
Resource Conservation Branch

cc: Rod McDougall, Canadian Natural Resources Limited

Approval Letters to Industry
GEP, SWD, Concurrent Prod, Pressure
Maintenance, Waterflood, Etc.

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