

March 11, 2010

0320-5000-59240-06

Usha Ramanujam  
Development Technologist  
Talisman Energy Inc.  
3400, 888-3<sup>rd</sup> Street S.W.  
Calgary AB T2P 5C5

Dear Ms. Ramanujam:

**RE: GOOD ENGINEERING PRACTICE APPROVAL – AMENDMENT #2**  
**ALTARES FIELD – MONTNEY FORMATION**

Commission staff have reviewed the application, dated January 21, 2010, requesting an amendment to the Good Engineering Practice (GEP) scheme approval for producing gas from the Montney formation in the Altares area. A portion of the area of application has been mapped into the Altares field – Montney “B” pool based on well results.


GEP approval will allow the location and orientation of horizontal wells from central location for effective gas recovery without regard to normal well spacing and target area restrictions.

Attached is Approval 09-06-012 (Amendment #2), granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. Gas target buffer distances have been reduced to 150 meters for the area boundaries, based on documentation of consent from off-setting rights owners, to allow drilling and production of gas wells in the GEP area for maximization of gas recovery.

Please note that the GEP area with rights held under Drilling Licence will require Lease selection prior to production from wells on those tenures.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Richard Slocomb, P.Eng.  
Supervisor, Reservoir Engineering  
Resource Conservation

Attachment

**APPROVAL 09-06-012 (AMENDMENT #2)**

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Talisman Energy Inc. (Talisman) for producing gas from the Altares area – Montney formation without spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends the GEP scheme of Talisman as such scheme is described in

*Applications from Talisman to the Commission dated March 5, 2009, January 20, 2010, January 21, 2010, and related submissions.*

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

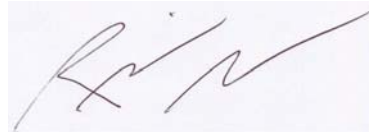
1. The area of the scheme shall consist of;

94-A-04 Block L	Fractional Units 38, 48, 58, 68, 78, 88
94-A-04 Block L	Units 39, 40, 49, 50, 59, 60, 69, 70, 79, 80, 89, 90, 100
94-A-05 Block D	Units 10
94-B-01 Block I	Units 12-15, 22-25, 31, 41, 51-55 61-65, 71-79, 81-89, 91-97
94-B-08 Block A	Units 1-7, 16, 17, 26, 27
Twp 83 Rge 24 W6M	Section 30
Twp 83 Rge 25 W6M	Sections 4, 5, 7-9, 16-23, 25-36
Twp 83 Rge 26 W6M	Fractional East ½ of Sections 13, 24, 25, 36
Twp 84 Rge 24 W6M	Sections 5-8, 18
Twp 84 Rge 25 W6M	Sections 1, 2.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 150 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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 12th day of March 2010.