

April 23, 2010

0320-5000-59240-06

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

Dear Ms. Ramanujam:

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

Commission staff have reviewed the application, dated March 1, 2010, requesting Good Engineering Practice (GEP) scheme approval for producing gas from the Montney formation in the Altares area.


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 10-06-014, 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 10-06-014

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 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 approves the GEP scheme of Talisman as such scheme is described in

an Application from Talisman to the Commission dated March 1, 2010 and related submissions.

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

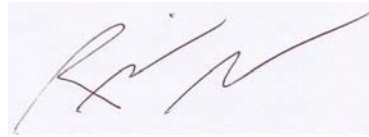
1. The area of the scheme shall consist of;

94-B-1 Block J Units 52-59, 62-69, 74-79, 84-89, 94-99
94-B-8 Block B Units 4-9, 16-19, 26-29, 38, 39, 48, 49

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.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 23rd day of April 2010.