



OIL AND GAS COMMISSION

October 12, 2005

3580-4800-59240-06
OGC - 05276

Cory Sterling, P.Eng.
Development Engineer
Talisman Energy Inc.
3400, 888-3rd Street S.W.
Calgary AB T2P 5C5

Talisman Project (02)

Dear Mr. Sterling:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #2
FLATROCK WEST - HALFWAY "G" POOL**

The Commission has reviewed your letter dated August 16, 2005, regarding the status of the subject pool and request for approval amendment.

A Good Engineering Practice (GEP) approval was originally issued on July 20, 1994 for the Flatrock West - Halfway "G" pool. This GEP was amended October 25, 1994, enlarging the area and increasing the daily oil allowable.

Pressure Maintenance Waterflood approval was granted March 24, 1995, rescinding the GEP. The waterflood approval was later amended on September 17, 1999, increasing the oil allowable in anticipation of additional water injection rates. The last Progress Report received was dated August 1, 2001.

Pool performance indicates that waterflood response has been poor, oil recovery to-date is approximately 10% of OOIP. The last injection into the pool occurred in July, 2003. Water compatibility problems have been an identified issue and location of an alternate water source has thus far been unsuccessful following loss of the original Dunvegan source.

Due to a lack on injection operations, the pressure maintenance Approval 95-09-001 (Amendment #1) is hereby rescinded. The prior GEP approval is re-instated. Attached is Approval 94-06-003 (Amendment #2), granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, for the Flatrock West - Halfway "G" pool.

This approval is intended to allow the preferential production of lower gas-oil ratio wells to maximize pool oil production. The Commission encourages Talisman Energy Inc. to continue efforts to improve pool oil recovery. Waterflood approval may be restored, with notification of resumption of injection.

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

Sincerely,

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

Attachment

**Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.**

Copy 9

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

APPROVAL 94-06-003 (Amendment #2)

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 the Flatrock West - Halfway "G" pool without spacing and target restrictions and with a project oil allowable.

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 Talisman as such scheme is described in

an Application to the Commission dated June 7, 1994, October 14, 1995, and August 16, 2005 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:

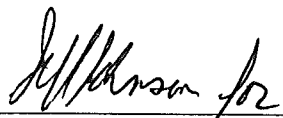
Twp 85 Rge 17 W6M – NE/4 Sect 8, E/2 Sect 17, E/2 Sect 20 and SE/4 Sect 29.

2. The project oil allowable is 125.0 m³/d.

3. All produced gas from the oil wells must be conserved.

4. The requirements of Section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved project area.

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



Richard Slocomb, P.Eng.

A/ Director

Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 12th day of October 2005.