



September 29, 2006

7250-2400-59240-06

David Mitchell
Talisman Energy Inc.
Suite 3400, 888 – 3rd Street SW
Calgary AB T2P 5C5

Dear Mr. Mitchell:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
PICKELL - NOTIKEWIN "A" POOL**

The Commission has reviewed your application dated August 22, 2006 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Notikewin formation in the Firebird area.

The Commission has designated the gas pool under application to be the Pickell - Notikewin "A".

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 06-06-059 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

The Commission believes that, for effective resource recovery from the relatively poor quality and low pressure Notikewin formation, more than one well per section is required. As a result several GEP approvals have been granted for Notikewin gas production within the Pickell field. It should be noted that, to avoid excessive production, a daily gas allowable (DGA) has been assigned to the spacing areas bordering the GEP scheme area. Accordingly, a DGA limit has been applied in condition #4 of the approval.

Should you have any questions, please contact Richard Slocomb (250) 952-0366.

Sincerely,

A handwritten signature in black ink that reads "D. McKenzie". The signature is written in a cursive style with a long, sweeping tail on the "z".

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 06-06-059

**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 a portion of the Pickell Notikewin "A" pool gas without well 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 for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Talisman to the Commission dated August 22, 2006.

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

1. The area of the project shall consist of:

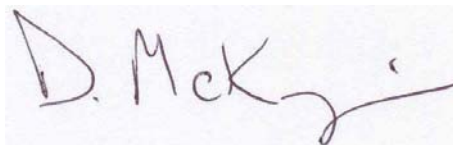
94-H-2 Block D – units 56-59, 66-69, 76, 77, 86, and 87.

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 250 m to the sides of the approved project area.

3. The gas wells within the project area, except those located within spacing areas directly adjoining producing non-project spacing areas, may be produced without individual well allowable restrictions.

4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{m}^3$, per spacing area, as per Section 88(7) of the *Drilling and Production Regulation*.

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



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 29th day of September 2006.