

December 12, 2005

2020-4540/4800-59070-20 OGC - 05354

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

Dear Ms. MacTaggart:

RE: COMMINGLED PRODUCTION APPROVAL AMENDMENT Iteration Osborn A11-30-88-14 W6M; WA# 17452

The Commission staff have reviewed the data for the well A11-30-88-14 W6M presented in your commingling application of November 22, 2005 for the well Iteration N Boundary 16-30-88-14 W6M (WA 19673).

Please note that the Commission has designated the gas pools in the well A11-30 to be the Boundary Lake North – Coplin "F" and Halfway "R". We concur that the allocation factors for the well should be amended to reflect the results of historical production.

Accordingly, we wish to advise you that the commingling approval, granted under the authority of Section 41 of the *Drilling and Production Regulation*, is hereby amended subject to the following conditions:

- 1. Production from the Coplin (1230.0 1231.0 mKB) and Halfway (1273.0 1285.0 mKB) formations may be commingled.
- 2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Coplin 89 % and Halfway 11 %.
- 3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366.

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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