



June 18, 2002

8100-4060-59240-16
OGC -02107

Frank C. Basham
Manager, Regulatory Affairs
Talisman Energy Inc.
Suite 3400, 888 3rd Street S.W.
Calgary, AB T2P 5C5

Dear Mr. Basham:

**Re: Acid Gas Injection Approval Letter Royalty Clause
Talisman Sukunka a-43-B/93-P-5; WA 1517
Sukunka Pardonet-Baldonnel "J" Pool**

This letter is further to your request for either waiver, or clarification, of the condition set out in the third paragraph of our letter dated March 21, 2002 (file # OGC-02056). This was the cover letter for the subject Approval 02-16-001, granted under Section 100 of the Petroleum and Natural Gas Act.

We confirm that the OGC hereby waives the condition set out in the third paragraph on the basis that the Ministry of Energy and Mines is satisfied that the issue of compensation for sterilized gas is being dealt with through a royalty agreement and that the negotiation of this royalty agreement is sufficiently progressing to warrant a waiver of the above referenced condition.

All other conditions of the March 21, 2002 letter and Approval remain in effect. We trust that this clarifies the matter.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

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