



October 17, 2006

7250-2400/2600/2700/2710-59070-20

James R. Jackson. P.Eng. CFA
Exploitation Engineer
Temple Energy Inc.
1300, 530 8th Avenue SW
Calgary, Alberta T2P 3S8

Dear Mr. Jackson:

**RE: COMMINGLED PRODUCTION APPROVAL, AMENDMENT #1
TEMPENG ET AL MIKE b-20-H/94-H-3; WA# 19642**

Commission staff have reviewed your application, dated August 24, 2006, for approval to include gas production from the Notikewin zone with the commingled production approval granted February 14, 2006 for the Bluesky, Gething and Lower Gething formations in the subject well.

The Commission designates the formations under application to be the single well Pickell - Gething "K" pool and Pickell - Lower Gething "A" pool. The Gething zone originally tested gas at a rate of 1.5×10^3 m³/d, while the Lower Gething zone tested at 3.8×10^3 m³/d. Neither zone has produced to-date due to an inability to lift liquids. The Bluesky was incapable of production after perforation and stimulation, therefore no pool has been designated. The Pickell - Notikewin "A" is an extensive multi-well pool. Production from the Notikewin began in April 2006, currently at a rate of 3.5×10^3 m³/d. These zones are considered marginal and commingled production is expected to lift liquids to sustain production and maximize reserves recovery.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Notikewin (796.0 – 801.0 mKB), Bluesky (1018.5 – 1019.5 mKB), Gething (1041.5 – 1144.5 mKB) and Lower Gething (1096.5 – 1107.0 mKB) formations may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Notikewin 40%, Bluesky 0%, Gething 20% and Lower Gething 40%. The allocation factors may be amended to reflect results of any future tests.
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) 952-0310.

Sincerely,

Ron Stefik, AScT
Sr. Reservoir Engineering Technologist

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