



October 17, 2006

7250-2400/2630-59070-20

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
TEMPENG ET AL MIKE c-28-H/94-H-3; WA# 9255**

Commission staff have reviewed your application, dated August 15, 2006, for approval to commingle gas production from the Notikewin and Bluesky-Gething formations in the subject well.

The Commission has designated the gas zones under application as the Pickell - Notikewin "A", an extensive multi-well pool, and the single well Pickell - Bluesky-Gething "B" pool.

The Notikewin zone is producing gas up the casing at a rate of $6.3 \times 10^3 \text{ m}^3/\text{d}$. The Bluesky-Gething is flowing up tubing at a rate of $3.4 \times 10^3 \text{ m}^3/\text{d}$. The Notikewin and Bluesky-Gething zones are both producing below their critical lift rates and are experiencing liquid loading problems. Commingled production is expected to maximize production and reserve recovery. Gas compositions for both zones are similar.

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 (767.0 - 788.0 mKB) and Bluesky-Gething (997.0 - 1022.0 mKB) zones 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 Notikewin 60% and Bluesky-Gething 40%.
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

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

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744 www.ogc.gov.bc.ca