

OIL AND GAS COMMISSION

May 17, 2006

7250-2400/2700-59070-20 OGC – 06190

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

Dear Mr. Jackson:

RE: APPLICATION FOR COMMINGLED PRODUCTION TEMPENG ET AL PRESPATOU d-54-B/94-H-3; WA# 19669

The Commission has reviewed your application dated March 27, 2006 for approval to commingle gas production from the Notikewin and Gething formations in the subject well.

The Commission has designated the gas pool under application to be the <u>Pickell</u> – Notikewin "A". The Gething was incapable of production after perforation and fracture treatment therefore no pool has been designated. The Notikewin is a very large multi-well pool being developed by various operators under several Good Engineering Practice (GEP) schemes. The d-54-B well is located within the area of the GEP Approval 04-06-051. The Notikewin zone was perforated, frac'd and flowed at 5.3 10³ m³/d. Based on no flow from the Gething, all production is expected from the Notikewin. The Notikewin zone is considered marginal and as such commingled production is expected to maximize production and reserve 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 (843.0 846.0 mKB) and Gething (1118.0 1121.0 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 Notikewin 100 % and Gething 0 %.
- 3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Approval Letters to Industry Should you have any questions, please contact the undersigned at (250) 952-0366. COMMINGLED PRODUCTION Copy 8 Sincerely, Wellfile (originals) 59070-20 Daily Resource Revenue R. Stefik G. Farr Richard Stocomb, P. Eng. R Slocomb Supervisor D. Krezanoski Reservoir Engineering

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301 Location: 6th FIr 1810 Blanshard St. Victoria BC