

May 18, 2006

7250-2700/2710-59070-20 OGC – 06191

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-38-H/94-H-3; WA# 19661

The OGC has reviewed your application dated April 3, 2006 for approval to commingle gas production from the Upper Gething and Lower Gething formations in the subject well.

The Commission has designated the gas pools under application to be the <u>Pickell</u> – Gething "N" and Lower Gething "B". The Gething and Lower Gething have been mapped as small single well pools.

Both the Gething and Lower Gething zones were perforated, frac'd and flowed at the final rate of 19.5 10^3 m³/d and 6.4 10^3 m³/d, respectively. Gas compositions for both zones are similar. The Lower Gething zone is considered marginal and as such commingled production is expected to maximize gas 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 Gething (1023.0 1026.0 mKB) and Lower Gething (1081.0 1084.0 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 Gething 75 % and Lower Gething 25 %.
- 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. Approval Letters to Industry COMMINGLED PRODUCTION Sincerely, Copy 8 Wellfile (originals) 59070-20 Daily Resource Revenue R. Stefik Richard Slocomb, P. Eng. G. Farr Supervisor R Slocomb D. Krezanoski Reservoir Engineering