



OIL AND GAS COMMISSION

November 3, 2003

8000-4580-59240-07
OGC - 03292

Rick Bawol
Reservoir Engineering Manager
Progress Energy Ltd.
Suite 1400, 440 - 2 Avenue SW
Calgary AB T2P 5E9

Progress Project (03)

Dear Mr. Bawol:

**RE: CONCURRENT PRODUCTION APPROVAL
STODDART - NORTH PINE "G" POOL**

The Commission has reviewed your application dated September 26, 2003 requesting a Concurrent Production approval for the subject pool.

As produced gas exceeds the solution gas-oil ratio and this gas is being conserved, a Concurrent Production approval is considered appropriate in this case. The North Pine "G" pool is characterized by very thin oil pay. Despite good operating practices, GOR has been increasing steadily and oil rate dropping. Waterflooding would appear to be uneconomic.

Attached is Concurrent Production scheme Approval 03-07-010, granted under Section 97 of the Petroleum and Natural Gas Act. This will allow continued production to maximize oil recovery.

The Good Engineering Practice approval dated February 21, 2003 for the subject pool is hereby rescinded.

Please note that the project allowables may be amended if another operator successfully completes an oil well outside the project area in the subject pool.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

Copy 10

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- C. Gibson
- D. Krezanoski

RESOURCE CONSERVATION BRANCH

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APPROVAL 03-07-010

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION**

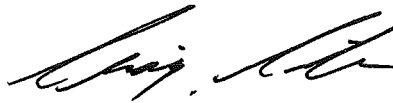
IN THE MATTER of a Concurrent Production scheme of Progress Energy Ltd. (Progress) for producing the Stoddart – North Pine “G” oil pool with a project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to Section 97 of the Petroleum and Natural Gas Act, hereby approves a Concurrent Production scheme of Progress for oil and gas production with project allowables, as such scheme is described in

an Application to the Commission dated September 26, 2003 and related submission.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of N/2 sec 16, sec 21 and SW/4 sec 22-86-19 W6M.
2. The project daily oil allowable is waived.
3. The project daily gas limit is 30.0 e³m³.
4. All produced gas must be conserved.
5. The requirements of Section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
6. This approval may be modified or rescinded at a later date if deemed appropriate.



Craig Gibson
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of November, 2003.