

August 21, 2013

6460/7600-4520-59240-09

Vincent Li, P.Eng.
Consulting Reservoir Engineer
Pengrowth Energy Corporation
2100, 222 – 3rd Avenue S.W.
CALGARY, AB T2P 0B4

Dear Mr. Li:

**RE: FOR PRESSURE MAINTENANCE WATERFLOOD ORDERS
PROGRESS REPORTING PERIODS
OAK AND RIGEL FIELDS**

The Commission has reviewed your request dated, July 9, 2013, requesting biennial (once every 2 years) waterflood progress report submissions for the following pools and approvals:

Oak Cecil C Pool (Approval # 00-09-005)
Oak Cecil B Pool (Approval # 04-09-001)
Oak Cecil E Pool (Approval # 96-09-002)

Rigel Cecil H Pool (Approval No. 98-09-006)
Rigel Cecil I Pool (Approval No. 99-09-001)
Rigel Cecil B Pool (Approval No. 96-09-006)
Rigel Cecil G Pool (Approval No. 98-09-003)

These mature waterflood pools have been effectively managed for more than 10 years as evident in the high recovery factors. Approval requirements to meet the voidage replacement and to continually monitor and report injection and production volumes will ensure the project remains as effective as it has been in the past. As such, progress reporting every 2 years is acceptable as it will be sufficient to ensure the Oil and Gas Commission is informed on the projects' performance.

The requirements for the progress report contents have changed since these above approvals were granted. New reporting requirements can be found on the OGC website at <http://bcogc.ca/industry-zone/documentation/Reservoir-Project-Guidelines>.

Please note that, as per section 75 of the *Drilling and Production Regulation*, a record of the volume of water injected and average injection pressure must be included on a Monthly Injection or Disposal Statement (BC-S18), which must be submitted to the Commission no later than the 25th day of the month in which activity occurred.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Gaucher at (250) 419-4482.

Sincerely,



Ron Stefik, Eng.L.
Supervisor, Reservoir Engineering
Oil and Gas Commission