

Application for Good Engineering Practice

TAKE NOTICE that Progress Energy Ltd. (1200, 205 - 5th Avenue SW, Calgary AB, T2P 2V7) has applied for Good Engineering Practice under section 75 (Special Projects) of the Oil and Gas Activities Act to produce gas from the Halfway formation in the Blueberry area.

The areas requested in the application are as follows:

Area #1

DLS 88-25 W6M

Section 25 and fractional Section 36

NTS 94-A-12 Block K

fractional Units 7 & 8.

Area #2

NTS 94-A-12 Block K

Units 38 - 40, 48 - 50, 60, 70

Block L

Units 31, 41, 51 and 61.

Any valid objections that have been received by the undersigned by December 29, 2010 will be considered in the decision as to whether or not the application will be approved.

Copies of the application may be obtained from the applicant. Any objection should be sent in writing to both the undersigned and the applicant.

Dated at Victoria, British Columbia this 6th day of December 2010.

Richard Slocomb, P.Eng.

Supervisor, Reservoir Engineering

Resource Conservation

Oil and Gas Commission

Applicant Contact: Davin Yee (403) 539-1858