



OIL AND GAS COMMISSION

March 19, 2004

1400-4800-59240-06
OGC - 04109

Progress Project (05)

Neil Horbachewski, P. Eng.
Exploitation Engineer
Progress Energy Ltd.
Suite 1400, 440-2 Avenue S.W.
Calgary AB T2P 5E9

Dear Mr. Horbachewski:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
BLUEBERRY - HALFWAY "B" POOL**

The Commission has reviewed the application dated February 6, 2004 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the Blueberry Halfway "B" pool.

Attached is a Good Engineering Project (GEP) scheme approval for a portion of the subject pool. The Approval 04-06-030 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells without spacing and target considerations for maximization of gas recovery.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik at (250) 952-0310.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

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

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- | | |
|--------------------------|----------------------|
| <input type="checkbox"/> | Wellfile (originals) |
| <input type="checkbox"/> | 59240 |
| <input type="checkbox"/> | Dally |
| <input type="checkbox"/> | Resource Revenue |
| <input type="checkbox"/> | S. Chicorelli |
| <input type="checkbox"/> | R. Stefik |
| <input type="checkbox"/> | G. Farr |
| <input type="checkbox"/> | P. Attariwala |
| <input type="checkbox"/> | D. Krezanoski |

RESOURCE CONSERVATION BRANCH

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Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 04-06-030

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Progress Energy Ltd. (Progress) for producing a portion of the Blueberry - Halfway "B" pool without spacing, target and production restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Progress as such scheme is described in

~~an Application from Progress to the Commission dated February 6, 2004.~~

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

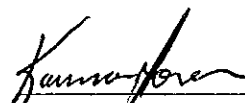
1. The area of the scheme shall consist of:

94-A-13 Block E – units 40 and 50
94-B-16 Block H – units 31 and 41.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved scheme area.

3. The gas wells within the scheme area may be produced without individual well allowable restrictions.

4. This approval may be modified or rescinded at a later date if deemed appropriate.


Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 19th day of March 2004.