



October 29, 2004

3460-2700-59240-07
OGC - 04292

Scott Urquhart, EIT
Reservoir Engineer
Pengrowth Corporation
Petro-Canada Centre - East Tower
2900, 111 - 5th Avenue SW
Calgary AB T2P 3Y6

Encal Project (03)

Dear Mr. Urquhart:

**RE: CONCURRENT PRODUCTION APPROVAL (AMENDMENT #1)
ELM - GETTING "B" OIL POOL**

The Commission has reviewed your application dated August 11, 2004 requesting an amendment to the concurrent production scheme approval for the subject pool. The original approval was intended to allow continued oil and gas production and increased drilling density while investigating the feasibility of pressure maintenance by waterflooding. Pengrowth is in the process of gathering information and putting together an application for a pilot waterflood project.

Drilling of two additional wells in 39-F/94-H-7 has extended the boundaries of the subject pool outside the existing scheme area. As such, approval 01-07-003 is hereby amended under section 97 of the Petroleum and Natural Gas Act. Please note that only the approval area has been enlarged, all other conditions remain unchanged.

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

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

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chlcorelli
- R. Steflk
- G. Farr
- R. Slocomb
- D. Krezanoski

Attachment

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 01-07-003 (AMENDMENT #1)

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

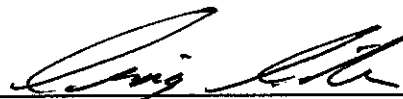
IN THE MATTER of a Concurrent Production scheme of Pengrowth Corporation (Pengrowth) for producing the Elm Gething "B" pool with a project oil and gas allowable.

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

an Application from Pengrowth to the Commission dated August 11, 2004.

This scheme approval of March 20, 2001 is hereby amended, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of units 98-100 of Block C, unit 91 of Block D, units 1, 11, 21 of Block E and units 8-10, 18-20, 28-30, 38, 39, 48 and 49 of Block F/94-H-7.
2. The project oil allowable 173.0 m³/d.
3. Gas production from the project will be limited to 60.0 10³m³/d.
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 28th day of October, 2004.