



OIL AND GAS COMMISSION

December 20, 2007

7900-2600-59240-07

Lisa Telang, P.Eng.
Exploitation Engineer
Pengrowth Corporation – Northern Team
2900, 240 – 4th Avenue SW,
Calgary AB T2P 4H4

Dear Ms. Telang:

**RE: CONCURRENT PRODUCTION APPROVAL
SQUIRREL BLUESKY “A”**

Commission staff have reviewed your application, dated July 24, 2007, for Concurrent Production for the subject oil pool.

The Approval 07-07-009 is hereby granted under Section 97 of the Petroleum and Natural Gas Act. This approval will allow flexibility in production management to maximize pool oil recovery.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachment

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

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 07-07-009

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

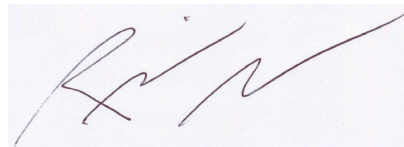
IN THE MATTER of a Concurrent Production scheme of Pengrowth Corporation (Pengrowth) for producing oil and gas from a portion of the Squirrel Bluesky "A" pool with a project gas allowable.

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

an Application to the Commission dated July 24, 2007 and related submissions.

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

1. The area of the scheme shall consist of:
87-20 W6M – NW/4 section 35
88-20 W6M – SW/4 section 2.
2. The project daily oil allowable is waived.
3. Gas production is limited to 30.0 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.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of December 2007