

October 30, 2003

3300-4800-59240-07
OGC - 03290

Jim Stannard, P. Eng.
Exploitation Engineer
Progress Energy Ltd.
Suite 1400, 440 - 2 Avenue SW
Calgary AB T2P 5E9

Apache Project (02)

Dear Mr. Stannard:

RE: CONCURRENT PRODUCTION APPROVAL, AMENDMENT #1
CURRENT HALFWAY "C" POOL

The Commission has reviewed your application dated October 21, 2003 requesting an amendment to the Concurrent Production approval for the subject pool.

As this is a mature oil pool, with large gas cap reserves compared to the limited remaining oil reserves, increasing the gas production limit is considered reasonable at this point in the productive life of the reservoir. Continued preferential oil production should ensure that oil recovery is maximized.

Attached is a Concurrent Production scheme Approval 00-07-003 (Amendment #2), granted under Section 97 of the Petroleum and Natural Gas Act. The approval area has been enlarged to include the gas cap well a-20-C/94-A-16 (WA 7902), oil allowable waived and gas production rate limitation increased.

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

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"/> | Daily |
| <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"/> | C. Gibson |
| <input type="checkbox"/> | D. Krezanoski |

RESOURCE CONSERVATION BRANCH

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APPROVAL 00-07-003 (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 Apache Canada Ltd. (Apache) for producing the Currant Halfway "C" oil 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 Apache for oil and gas production with project allowables, as such scheme is described in

Applications to the Commission dated April 6, 2000 and October 21, 2003 and related submission.

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

1. The area of the scheme shall consist of:
94-A-9 Block K – units 98-100
Block L – unit 91
94-A-16 Block C – units 8-10, 20, 30
Block D – units 1, 11, 21.
2. The project daily oil allowable is waived.
3. The project daily gas limit is 30.0 e³m³.
4. All produced gas must be conserved.
5. The well b-9-C/94-A-16 (WA# 8403) must be preferentially produced to maximize pool oil recovery.
6. 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.
7. 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 30th day of October, 2003.