



June 24, 2003

8060-4520-59240-07
OGC - 03144

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

Progress Project (02)

Dear Mr. Stannard:

**RE: CONCURRENT PRODUCTION APPROVAL
STODDART SOUTH CECIL "A" POOL**

The Commission has reviewed your application dated May 6, 2003 for Concurrent Production in the subject pool.

Based on the Commission's geological mapping, the Stoddart South Cecil "A" pool's oil leg appears to be limited in size. Therefore, approval of a Concurrent Production for this small pool is justified. No objections were received following a publication of notice of the application in the BC Gazette. Accordingly, Approval 03-07-003 is hereby granted under section 97 of the Petroleum and Natural Gas Act.

Please note that the royalty-exempt volume under condition #7 of the approval may be changed to reflect future performance of the well. Also, the project allowables may be amended if another operator successfully completes an oil well outside the project area in the subject pool.

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

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

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

Copy 10

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- C. Gibson
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

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Location: 6th Flr 1810 Blanshard St. Victoria BC

APPROVAL 03-07-003

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

IN THE MATTER of a Concurrent Production scheme of Progress Energy Ltd. (Progress) for producing the Stoddart South Cecil "A" pool without a project oil allowable.

NOW, THEREFORE, the Commission, pursuant to Section 97 of the Petroleum and Natural Gas Act, hereby approves the Concurrent Production scheme of Progress for oil and gas production without an oil allowable, as such scheme is described in

an Application from Progress to the Commission dated May 6, 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 section 29-85-19 W6M.
2. The project daily oil allowable is waived.
3. Gas production will be limited to $10.0 \times 10^3 \text{ m}^3/\text{d}$.
4. All produced gas must be conserved.
5. Production must not be taken from a well completed above the GOC of 581 mSS.
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. Royalty-exempt oil production entitlement for the discovery well Progress et al Stoddart 6-29-85-19 (WA# 4559) is limited to a volume of $11,450 \text{ m}^3$ or the volume produced in the first 36 producing months, whichever is lesser.
8. This approval may be modified or rescinded at a later date if deemed appropriate.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this ^{29th} day of June 2003.