

April 15, 2004

8100-4582-59240-07 OGC - 04143

Jim Stannard, P.Eng. Exploitation Engineer Progress Energy Ltd. 1400, 440 –2nd Ave SW Calgary, AB T2P 5E9

Dear Mr. Stannard:

Re: CONCURRENT PRODUCTION APPLICATION STODDART WEST – BEAR FLAT "D" POOL

The Commission has reviewed your application dated April 13, 2004 requesting the approval of a Concurrent Production scheme for a portion of the subject pool. The majority of the pool has been operated under a pressure maintenance waterflood approval by Devon Canada Corporation (Devon), approved April 23, 1997.

The subject application is predicated on information that water injection by Devon ceased in June 2002. OGC staff have examined the water injection information for the well 8-21-85-20 W6M and notes a gap in the public data. Investigation confirms that water injection has been continuous to-date. Records have been corrected to reflect this discrepancy and actions taken to ensure a continuous update of information.

Increased gas production rates under Concurrent Production, at this time, would result in a negative impact on ultimate oil recovery from the successful waterflood operation, therefore your application is denied. Production from the well Progress W Stoddart 6-16-85-20 (WA# 16194) must continue to be restricted by the unadjusted daily oil allowable of 10.0 m³. Modification of this primary allowable may be granted should Progress either; institute a waterflood for the area of application with direct injection or injection of water volumes on your behalf by Devon or, join the existing waterflood upon agreement with the current operator.

Should you have any questions, please contact Ron Stefik at (250) 9:	52-0310. Ge	proval Letters to Industry EP, SWD, CONCURRENT PROD, ESSURE MAINTENANCE,
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	ł Ł.	S. Chicorelli
Craig Gibson, P. Eng.		R. Stefik
		G. Farr
Director		P. Attariwala
Resource Conservation Branch	,	D. Krezanoski