



OIL AND GAS COMMISSION

October 8, 2003

8200-4510-59240-07

OGC - 03272

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

*Progress Project (02)*

Dear Mr. Stannard:

**RE: CONCURRENT PRODUCTION APPROVAL, AMENDMENT #2  
TWO RIVERS SIPHON "A" POOL**

The Commission has reviewed your application dated October 1, 2003 requesting an amendment to the Concurrent Production approval for the subject pool.

As this is a mature oil pool, granting of the requested amendment is considered reasonable at this point in the productive life of the reservoir.

Attached is a Concurrent Production scheme Approval 02-07-004 (Amendment #2), granted under section 97 of the Petroleum and Natural Gas Act. Please note that only the approval area is 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

Attachment

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

Copy 10

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

**RESOURCE CONSERVATION BRANCH**

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APPROVAL 02-07-004 (Amendment #2)

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

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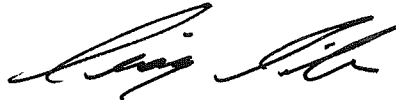
IN THE MATTER of a Concurrent Production scheme of Progress Energy Ltd. (Progress) for producing the Two Rivers Siphon "A" pool with a project oil and gas allowable.

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

*an Application from Progress to the Commission dated October 1, 2003.*

This scheme approval of August 26, 2003 is amended, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of sec 5, SE/4 sec 7 and sec 8 of Township 83 Range 16 W6M.
2. The daily oil allowable is waived.
3. Gas production will be limited to  $60.0 \times 10^3 \text{ m}^3/\text{d}$ .
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.



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Craig Gibson  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 8<sup>th</sup> day of October 2003.