

April 25, 2003

W.J. Montgomery, P.Eng. Consulting Engineer Pengrowth Corporation Petro-Canada Centre – East Tower 2900, 111 – 5th Avenue SW Calgary AB T2P 3Y6 6460-4100-59240-06 OGC - 03102

Pengrowth Project (02)

Dear Mr. Montgomery:

RE: GOOD ENGINEERING PRACTICE APPROVAL OAK BALDONNEL "D" POOL

The Commission has reviewed your application dated March 17, 2003 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Oak - Baldonnel "D" pool.

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 03-06-014 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This approval is intended to allow operational flexibility and to allow the production of additional gas wells for maximization of gas recovery.

Notice of your application was published in the B.C. Gazette with April 17, 2003 being the last date for any objections. A letter dated March 31, 2003 was received from Enco Gas, Ltd. objecting to the scheme. However, Enco requested that if the scheme is approved, the 5-28-86-18 W6M well be restricted to it's off-target daily gas allowable (DGA). As per section 10 (5) and 88 (1) a of the *Regulation*, a penalized gas allowable has been applied in condition #4 of the approval.

Results of the Commission's geological interpretation indicate that the Oak Baldonnel "C" pool is delineated by the well located at 10-29-86-18 W6M whereas the Oak Baldonnel "D" pool is delineated by the wells 5-28, 14-28 and 7-33-86-18 W6M. The Baldonnel "C" and "D" pools are separated by a wet well located at 9-29-86-18 W6M. Lack of recent pressure data in the area makes it difficult to define the pool mapping. Should newer pressure data provide additional information about the current geological interpretation, the Commission would be prepared to use this interpretation to update pool mapping.

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

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PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0		<u> </u>	D, Krezanoski∉	
	Location: 6th Flr 1810 Blanshard St. Victoria	Dr.	~ ~~ ,	

APPROVAL 03-06-014

THE PROVINCE OF BRITISH COLUMBIA <u>PETROLEUM AND NATURAL GAS ACT</u> DRILLING AND PRODUCTION REGULATION OIL AND GAS COMMISSION

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Pengrowth Corporation (Pengrowth) for producing a portion of the Oak - Baldonnel "D" pool without spacing restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Pengrowth as such scheme is described in

an Application from Pengrowth to the Commission dated March 17, 2003.

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

- 1. The area of the scheme shall consist of section 28-86-18 W6M.
- 2. Gas production from the scheme area must be restricted to a daily gas allowable of $60.0 \, 10^3 \text{m}^3$.
- 3. The spacing area requirement of Section 10 of the *Drilling and Production Regulation* is hereby waived.
- 4. Gas production from the off-target well 5-28-86-18 W6M (WA 8149), within the scheme area, must not exceed it's penalized gas allowable of 16.4 10³m³/d.
- 5. This approval may be modified or rescinded at a later date if deemed appropriate.

Derek Doyle Commissioner

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 25th day of April 2003.