



OIL AND GAS COMMISSION

February 5, 2007

1000-4800-59240-06

Cheryl Leitch, C.E.T.
Senior Engineering Technologist
Progress Energy Ltd.
1200, 205 – 5th Avenue S.W.
Calgary AB T2P 4B9

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #2
BEG WEST - HALFWAY “C” POOL (FORMERLY TOWN FIELD)**

The Commission issued Progress Energy Ltd. a Good Engineering Practice (GEP) scheme approval on July 22, 2005 for the Town field – Halfway “C” pool.

As a result of a recent geological study by OGC staff, the former Town – Halfway “C” has been re-mapped as the Beg West field – Halfway “C” gas pool.

Attached is GEP project Approval 04-06-013 (Amendment #2), granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This amendment modifies the referenced pool, all other conditions remain unchanged.

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

Sincerely,

for Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 04-06-013 (Amendment #2)

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Progress Energy Ltd. (Progress) for producing a portion of the Beg West - Halfway "C" gas pool without well spacing, target and production restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends the GEP scheme of Progress for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Progress to the Commission dated December 10, 2003 and June 1, 2005.

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

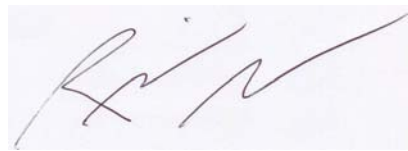
1. The area of the project shall consist of:

94-G-1

Block B – units 20, 30, 40, 50

Block C – units 11, 21, 31 - 33, 41 - 43, 52, 53, 62, 63, 72 - 75 and 82 - 85.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



for Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of February 2007.