



OIL AND GAS COMMISSION

February 10, 2005

0320-2600-59240-06  
OGC - 05041

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

Progress Project (02)

Dear Mr. Stannard:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
ALTARES - BLUESKY "B" POOL**

Attached is a Good Engineering Practice (GEP) scheme approval for the subject pool, as requested in your application of December 27, 2004.

The Approval 05-06-009 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow production of gas wells without spacing considerations for maximization of gas recovery, specifically, allowing the suspended well at a-63-G/94-P-8 (WA 7659) to be placed on production, resulting in 2 wells per gas spacing area.

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

Sincerely,

Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

Attachment

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

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- R. Slocomb
- D. Krezanoski

**RESOURCE CONSERVATION BRANCH**

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

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

APPROVAL 05-06-009

**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 Altares Bluesky "B" gas pool without well spacing and production 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 Progress for producing wells without spacing restriction, as such scheme is described in

*an Application from Progress to the Commission dated December 27, 2004.*

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

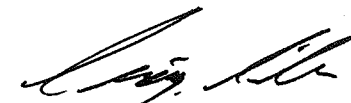
1. The area of the project shall consist of:

94-B-8: Block G – units 52, 53, 62 and 63.

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.



Craig Gibson  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this <sup>24</sup> day of February 2005.