



July 24, 2003

1400-4100-59240-06
OGC - 03202

Jim Stannard, P.Eng.
Exploitation Engineer
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
- BLUEBERRY BALDONNEL "B" POOL**

Attached is a Good Engineering Practice (GEP) scheme approval for a portion of the subject pool, as requested in your application of June 18, 2003.

The Approval 03-06-027 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval will allow the drilling and production of an additional gas well without regard for spacing and target regulations in order to optimize pool drainage and recovery. No objections were received following a publication of notice of the application in the BC Gazette.

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

Sincerely,

Craig Gibson
Manager
Reservoir Engineering and Geology

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
- P. Attariwala
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291

Location: 6th Flr 1810 Blanshard St, Victoria BC

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

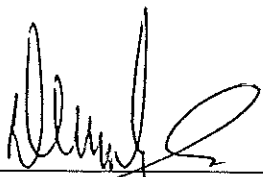
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Progress Energy Ltd. (Progress) for producing a portion of the Blueberry - Baldonnel "B" pool without spacing, target and production restrictions.

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 as such scheme is described in

an Application from Progress to the Commission dated June 18, 2003.

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

1. The area of the scheme shall consist of units 18, 19, 28 and 29 of Block E/94-A-13.
2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved scheme area.
3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
4. 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 29th day of July 2003.