



September 13, 2010

5000-4150-59240-06

Davin Yee, P. Eng  
Exploitation Engineer  
Progress Energy Resources Corp.  
1200, 205 – 5<sup>th</sup> Ave. S.W.  
Calgary AB T2P 2V7

Dear Mr. Yee:

**RE: GOOD ENGINEERING PRACTICE APPROVAL**  
**JEDNEY – BALDONNEL/UPPER CHARLIE LAKE “C” POOL**

Commission staff have reviewed the application, dated June 15, 2010, requesting Good Engineering Practice (GEP) approval for producing gas from the Baldonnel/Upper Charlie Lake formation in the Jedney area.

Attached is Approval 10-06-030, hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the production of gas wells at increased density without regard for normal spacing and target areas for maximization of gas recovery. No written objections were received following notice of this application on the OGC website.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Slocomb", written over a light blue horizontal line.

Richard Slocomb, P.Eng.  
Supervisor, Reservoir Engineering  
Resource Conservation

Attachment

APPROVAL 10-06-030

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Progress Energy Resources Corp. (Progress) for producing gas from the Jedney field Baldonnel/Upper Charlie Lake "C" pool without spacing and target 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 15, 2010.*

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

1. The area of the scheme shall consist of;  
94-G-8 Block E Units 32-35, 42-45, 54, 55, 64, 65
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 This approval may be modified or rescinded at a later date if deemed appropriate.

  
Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 13<sup>th</sup> day of September 2010.