



OIL AND GAS COMMISSION

April 11, 2006

5100-4800-59240-06
OGC - 06141

Cheryl Leitch, CET
Senior Engineering Technologist
Progress Energy Ltd.
1400, 440 - 2nd Avenue S.W.
Calgary AB T2P 5E9

Progress Energy Project (02)

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
JULIENNE CREEK - HALFWAY "B" POOL**

Commission staff have reviewed your application, dated February 2, 2006, for Good Engineering Practice (GEP) approval for the Julienne Halfway Undefined Pool. Additional subsequent information was also considered for this application.

The Commission has designated this reservoir as the Julienne Creek Halfway "B" non-associated gas pool. Upper and lower sandstone beds are evaluated and mapped as a single Halfway formation, characterized as a thick sequence of low porosity and low permeability.

The attached Approval 06-06-027 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 drilling and production of gas wells without spacing and target considerations for maximization of gas recovery.

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

Sincerely,

Richard Slocomb, P.Eng.
A/Director
Resource Conservation Branch

Attachment

Approval Letters to Industry			
GEP, SWD, Concurrent Prod, Pressure			
Maintenance, Waterflood, Etc.			
Copy 12			
<input type="checkbox"/>	Daily	<input type="checkbox"/>	E. O'Neill
<input type="checkbox"/>	Wellfile	<input type="checkbox"/>	J. Merson
<input type="checkbox"/>	59240	<input type="checkbox"/>	D. Krezanoski
<input type="checkbox"/>	R. Slocomb	<input type="checkbox"/>	L. Miller
<input type="checkbox"/>	R. Stefik	<input type="checkbox"/>	Resource Rev.
<input type="checkbox"/>	G. Farr	<input type="checkbox"/>	S. Chicorelli

RESOURCE CONSERVATION BRANCH

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APPROVAL 06-06-027

**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 the Julienne Creek Halfway "B" 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 approves 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 February 2, 2006, and related submissions.

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

1. The area of the project shall consist of:
94-G-2: Block A – units 56, 57, 66, 67, 76, 77, 86 and 87.
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
A/Director
Resource Conservation Branch
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 12th day of April 2006.