



OIL AND GAS COMMISSION

October 3, 2001

6030-8600-59240-06
OGC - 01183

Mr. Dave Christie
Exploration Manager
Progress Energy Ltd.
1110, 520 - Fifth Avenue S. W.
Calgary AB T2P 3R7

PROGRESS PROJECT (02)

Dear Mr. Christie:

RE: GOOD ENGINEERING PRACTICE APPROVAL
MILO PINE POINT "C" POOL

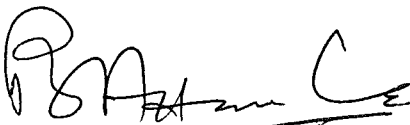
Attached is a Good Engineering Practice (GEP) scheme approval for the subject pool, as requested in your application of August 22, 2001.

The Approval 01-06-010 is hereby granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*. This approval will allow the drilling of gas wells 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.

Please note that a project daily gas allowable has been specified in the GEP approval due to suspected water drive in this pool. However, the gas allowable may be waived if technical justification can be made for such a waiver.

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

Sincerely,


for Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

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

Copy 9

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	D. Krezanoski

Attachment

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

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 01-06-010

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 Milo Pine Point "C" pool gas wells without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (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 August 22, 2001.

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

1. The area of the project shall consist of units 52, 53, 62, 63, 72 - 75 and 82 - 85 of Block G/94-J-11.
2. The project daily gas allowable is $388.2 \times 10^3 \text{m}^3$.
3. 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 project area
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 3rd day of October 2001.