



OIL AND GAS COMMISSION

June 8, 2004

800-6200-59240-06
OGC-04196

Jim Stannard, P.Eng.
Exploitation Engineer
Progress Energy Ltd.
Suite 1400, 440 - 2 Avenue SW
Calgary AB T2P 5E9

Progress Project (02)

Dear Mr. Stannard:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
STODDART - BELLOY "C" POOL**

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

The Approval 04-06-039 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 for reactivating and working over wells while limiting the risk of higher GOR wells being allowable restricted; so as to increase production and maximize recovery of both oil and gas. No objections were received following a publication of notice of the application in the BC Gazette.

It should be noted that the normal GOR penalties would apply.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

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

Copy #0

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

ENGINEERING AND GEOLOGY BRANCH

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Location: 6th Flr 1810 Blanshard St, Victoria BC

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APPROVAL 04-06-039

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

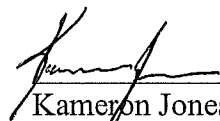
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Progress Energy Ltd. (Progress) for producing the Stoddart – Belloy “C” oil pool with a project oil allowable and without well spacing and target restrictions.

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 to the Commission from Progress dated April 27, 2004.

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

1. The area of the scheme shall consist of NE/4 sec 25, SE/4 sec 35, sec 36-85-20 W6M and sec 31-85-19 W6M.
2. The project daily oil allowable, being the sum of the individual well allowables, is 114.3 m³.
3. All gas production will be conserved.
4. The requirements of Section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved scheme area.
5. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 4th day of June 2004.