



OIL AND GAS COMMISSION

January 6, 2009

8000-6200-59240-06

Cheryl Leitch, C.E.T.
Senior Engineering Technologist
Progress Energy Ltd.
1200, 205 – 5th Avenue S.W.
Calgary, AB T2P 2V7

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
STODDART – BELLOY “M” POOL**

The Commission has reviewed your application, dated November 12, 2008, requesting approval for a Good Engineering Practice (GEP) scheme for a portion of the Stoddart – Belloy “M” gas pool.

Attached is GEP scheme Approval 09-06-001, hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. No objections were received following notice of the application on the OGC website.

This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells within the GEP area for maximization of gas recovery.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

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

Attachment

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
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 09-06-001

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

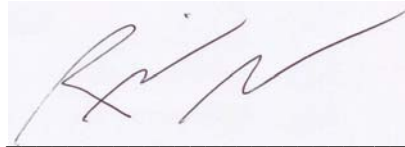
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Progress Energy Ltd. (Progress) for producing a portion of the Stoddart – Belloy “M” gas pool without spacing and target restrictions.

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 for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Progress to the Commission dated November 12, 2008.

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

1. The area of the project shall consist of:
85-18W6M - Sections 16 and 17
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

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of January 2009.