



September 24, 2003

8160-4100/4800-59240-06
OGC - 03258

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

Baldonnel Progress Project (02)
Halfway Progress Project (02)

Dear Mr. Stannard:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
TOWN - BALDONNEL "A" & HALFWAY "A" POOLS**

Attached are two Good Engineering Project (GEP) scheme approvals for the subject pools, as requested in your applications of July 18, 2003.

The Approvals 03-06-032 and 03-06-033 are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

These approvals are intended to allow operational flexibility and to allow the drilling and production of horizontal gas wells without spacing and target considerations for maximization of gas recovery.

Should you have any questions, please contact either Peter Attariwala at (250) 952-0311 or Ron Stefik at 952-0310.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachments

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

Copy 10

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

RESOURCE CONSERVATION BRANCH

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 03-06-032

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 Town Baldonnel "A" pool gas 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 July 18, 2003.

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

1. The area of the project shall consist of:

94-B-16

Block J - units 58, 59, 68, 69, 80, 90, 100

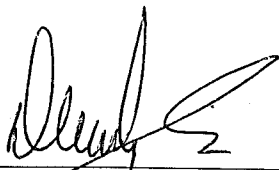
Block K - units 71, 81, 91

94-G-1

Block B - unit 10

Block C - unit 1.

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.



Derek Doyle
Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 17 day of September 2003.

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 Town Halfway "A" pool gas 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 July 18, 2003.

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

1. The area of the project shall consist of:

94-B-16

Block J - units 58, 59, 68, 69, 80, 90, 100

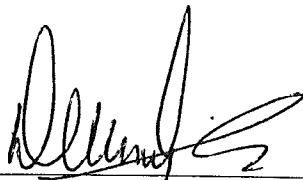
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