



September 14, 2005

8160-4800-59240-06
OGC - 05250

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

Progress Project (02)

Dear Ms. Leitch:

**RE: GOOD ENGINEERING PRACTICE APPROVAL AMENDMENT REQUEST
TOWN - HALFWAY "A" POOL**

Commission staff have reviewed your application, dated August 24, 2005, to amend the Good Engineering Practice (GEP) scheme approval previously granted for the subject pool.

The Approval 03-06-033, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, was last amended July 22, 2005 (Amendment #4). This GEP approval is intended to allow gas wells to be completed without regard to spacing and target considerations, to access and produce gas reserves from this narrow structural feature.

The requested addition area of units 78, 79, 88 & 89-C/94-G-1 is to-date unproven for Halfway formation reserves. The recently completed well ProEx W Beg a-67-C/94-G-1 (WA# 19628) encountered the Halfway formation 26 meters lower than the nearest well, with lower than average porosity. Early flow test data indicates uneconomic gas rates.

Your request for amendment to the subject approval is hereby denied. However, a future amendment application may be made should additional drilled prove pool extension over this area.

Should you have any questions, please contact Ron Stefik at (250) 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 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"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

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