



February 12, 2004

8160-4800-59240-06
OGC - 04058

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

Progress Project (02)

Dear Mr. Horbachewski:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
TOWN - HALFWAY "C" POOL**

Attached is a Good Engineering Project (GEP) scheme approval for the subject pool, as requested in your application of December 10, 2003.

The pool named as Halfway Undefined in your application has been mapped as the Town Halfway "C" non-associated gas pool.

The Approval 04-06-013 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 and to allow the drilling and production of 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

Attachment

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

Copy 9

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

APPROVAL 04-06-013

**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 "C" gas pool 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 December 10, 2003.

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


1. The area of the project shall consist of:

94-G-1

Block B – units 20, 30, 40, 50

Block C – units 11, 21, 31-33, 41-43, 52, 53, 62, 63

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.



Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 11th day of February 2004.