



August 15, 2007

7600-4520-59240-09

Roy Karyampudi
Senior Exploitation Engineer
Pengrowth Corporation
2900, 240 – 4th Avenue S.W.
Calgary, Alberta, T2P 4H4

Dear Mr. Karyampudi:

**RE: WATERFLOOD PRESSURE MAINTENANCE APPROVAL (AMENDMENT #7)
RIGEL CECIL 'I' POOL**

Please find attached an amendment to the waterflood pressure maintenance scheme approval for the subject oil pool as requested in you application dated July 10, 2007.

Based on a review of the production performance, water production has increased and oil production has decreased substantially over the past few years. We concur that additional injecting location is required for improvement in VRR and effective pool drainage. Accordingly, the addition of the well 7-17-88-18 W6M (WA 11512) as a water injection well should increase the pool ultimate oil recovery

Attached is Approval #99-09-001 (Amendment # 7) for the application, granted under section 100 of the Petroleum and Natural Gas Act. Please note that only a water injector has been added; all other conditions of the approval remain unchanged.

Should you have any questions, please contact Richard Slocomb at (250) 952-0366.

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 99-09-001 (AMENDMENT #7)

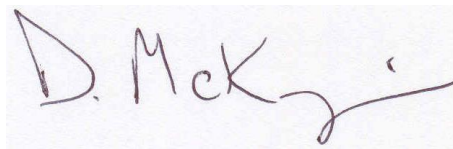
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION**

IN THE MATTER of a pressure maintenance scheme of Pengrowth Corporation (Pengrowth) for waterflood recovery of oil by water injection into the Rigel Cecil "I" Pool.

The approval granted pursuant to Section 100 of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361 is hereby amended as follows:

The pressure maintenance scheme for waterflood recovery of oil from the Rigel Cecil "I" pool as such scheme is described in the application dated January 22, 1999 and modified on July 29, 2005 (Amendment #6) is hereby amended, subject to the terms herein contained:

1. The area of the pressure maintenance scheme shall consist of NE/4 sec 6, E/2 sec 7, W/2 & NE/4 sec 8, W/2 sec 16, E/2 & SW/4 sec 17, sec 21, sec 27, E/2 & SW/4 sec 28, E/2 frac sec 33, frac sec 34 of Twp 88 Rge 18 W6M, frac unit 12, frac unit 13, unit 22 and unit 23 of Block K/94-A-10 .
2. The project daily oil allowable is 450.0 m³.
3. Water may be injected into the Rigel Cecil "I" pool through the wells 15-6, 2-7, 12-16 (BH 5-16), 13-27, A2-28 and 7-17-88-18 W6M.
4. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
5. All associated gas production will be conserved.
6. An oil well may be drilled anywhere within the project area provided that it is not nearer than 100 m to the sides of the project area.
7. Progress reports shall be filed as stipulated in Section 8 of the *Petroleum and Natural Gas General Regulation*.
8. The operations of the pressure maintenance scheme will be subject to periodic review and modification to the approval may be ordered, if deemed appropriate.



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 15th day of August, 2007.