



October 20, 2008

8200-4510-59240-09

Cheryl Leitch, C.E.T.
Sr. Engineering Technologist
Progress Energy Ltd.
1200, 205 – 5th Ave SW
Calgary, AB T2P 2V7

Dear Ms. Leitch:

**RE: WATER INJECTIVITY TEST APPROVAL
PROGRESS TWO RIVERS 16-06-083-16W6M (WA# 16184); SIPHON FORMATION**

The Commission has reviewed your application, dated September 25, 2008, requesting permission to conduct a temporary injectivity test into the Siphon formation of the subject well.

The testing of this well is being conducted in support of an application for an amendment to the Pressure Maintenance Waterflood Approval #04-09-002 for Siphon oil production. The well will be used to inject produced water into the Two Rivers – Siphon “A” oil pool to improve sweep efficiency and maintain voidage. The well was perforated in the Siphon zone (1316.0 – 1318.0 mKB) in July 2003 and subsequently abandoned with no production. The Siphon perforations will be re-entered and fracture stimulated, prior to the injection test.

Approval for temporary injectivity testing is hereby granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, subject to the following conditions:

1. The test injection interval must be in the Siphon formation.
2. The total volume of injected water must not exceed 100 m³.
3. The injection pressure at the sandface must not exceed the formation fracture pressure.

Please note that your waterflood amendment application has been received. Final approval will not be issued until the results of the injectivity test have been received and reviewed by this office.

Sincerely,

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering

RESOURCE CONSERVATION

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