

Application for Good Engineering Practice

TAKE NOTICE that Progress Energy Resources Corporation, 1200, 205 – 5th Avenue S.W., Calgary, Alberta, T2P 2V7, has applied for approval to produce gas from the Kobes field area – Montney formation under Good Engineering Practice (GEP).

The requested GEP area is as follows:

094-B-9 Block F Units 91-93 Block G Unit 100 Block J Units 10, 20, 30, 40, 50, 54-59, 64-69, 74-79, 84-89 Block K Units 1-3, 11, 21, 31 and 41.

The applicant has requested an increased gas target area, to within 150 meters of the boundaries of the area of application.

If no valid objection in writing is received by the undersigned by April 12, 2010 the application may be approved subject to such conditions as may be prescribed.

Copies of the application may be obtained from the applicant. Any objection should be sent in writing to both the undersigned and the applicant.

Dated at Victoria, British Columbia this 22nd day of March 2010.

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Richard Slocomb, P.Eng. Supervisor, Reservoir Engineering Resource Conservation Oil and Gas Commission

Applicant Contact: Joe Leonard (403) 539-2991