

Application for Good Engineering Practice

TAKE NOTICE that Progress Energy Ltd., 1200, 205 – 5th Avenue S.W., Calgary AB, T2P 2V7, has applied for Good Engineering Practice approval under section 75 (Special Projects) of the *Oil and Gas Activities Act* to produce gas from the Montney formation in the Trutch/Green Creek/Pocketknife Area.

The area requested in the application is as follows:

NTS 94-G-7 Block K – 72-80, 82-90, 92-100 Block L – 71-77, 81-87, 91-97

NTS 94-G-10 Block B – Units 20, 30, 40, 50, 60, 70, 80, 90, 100

Block C - Units 2-100

Block D – Units 1-7, 11-17, 21-27, 31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97

Block E – Units 1-7, 11-17, 21-27, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 91-95

Block F - Units 1-30, 32-40, 42-50, 52-60, 62-70, 76-80, 86-90, 96-100

Block G - Units 10, 20, 30

Block K - Units 6-10, 18-19, 28-29

Block L – Units 1-5

If no valid objection in writing is received by the undersigned by May 29th, 2012 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 Öttday of May 2012.

Ron Stefik, ÁScT

Sr Technical Advisor, Reservoir Engineering

Oil and Gas Commission

Applicant Contact: Davin Yee (403) 539-1858

Victoria BC V8W 9N3