

August 27, 2024

7000-4800-59240-09

Rylan Zazula, P.Eng.
Exploitation Engineer – BC South
Canadian Natural Resources Limited
2500, 855 – 2nd St SW
Calgary, AB T2P 4J8

Dear Rylan Zazula:

**RE: PRESSURE MAINTENANCE WATERFLOOD PROJECT
APPROVAL ORDER CANCELLATION
PEEJAY WEST FIELD – HALFWAY ‘A’ POOL**

A pressure maintenance waterflood project in the Peejay West field, Halfway ‘A’ pool was approved by the Regulator on January 21st, 1997. On July 29th, 2024, the Regulator received a request from CNRL to rescind this project approval due to upcoming well decommissioning. Oil production ceased in March of 2024.

Waterflood operation over a period of 27 years has resulted in increased oil recovery, demonstrating effective resource management. A final reservoir pressure for this project was measured in February 2022. **A final reservoir pressure is required before abandonment of all wells in this pool.**

Original Oil in Place (m ³)	Initial Reserves (m ³)	Cumulative Production (m ³)	Recovery Factor
1,904,000	437,920	431,398	23%

Pursuant to the Energy Resources Activities Act (ERAA) section 75 (2)(b)(i), the Regulator may cancel, suspend or amend a designation at the request of the applicant to whom the designation was given. The pressure maintenance waterflood project approval #96-09-007 for the Peejay West field, Halfway ‘A’ pool, is hereby cancelled, under the authority of ERAA section 75(2)(b). Approval cancellation terminates the use of injection wells, other than for any minor volume associated with decommissioning of injection system facilities and pipelines.

Please contact Michelle Gaucher at (250) 419-4482 or the undersigned at (250) 419-4430 should you have any questions.

Sincerely,



Ron Stefik, P.L.Eng.
Supervisor, Reservoir Engineering
BC Energy Regulator