



September 3, 2008

1800-2900/4800-59070-20

James Nichols, P.Eng.
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street SW
CALGARY AB T2P 4J8

Dear Mr. Nichols:

RE: COMMINGLED PRODUCTION APPROVAL
CNRL W BLUEBERRY b-059-L/094-A-12; WA# 22428

The Commission has reviewed your application dated July 10, 2008 requesting permission to commingle production from the Cadomin and Halfway zones encountered in the subject well.

The Commission has designated these pools as the Blueberry West –Dunlevy “A” and Halfway “C” gas pools. The Dunlevy “A” pool is a large multi-well pool and the Halfway “C” currently contains two wells.

The subject well was completed in the Halfway on March 26, 2008 and in the Dunlevy on June 5, 2008. The Dunlevy and Halfway zones tested at post frac rates of $5.4 \times 10^3 \text{ m}^3/\text{d}$ and $17.8 \times 10^3 \text{ m}^3/\text{d}$ of gas, and $1.2 \text{ m}^3/\text{d}$ and $4.5 \text{ m}^3/\text{d}$ of water, respectively. The well is currently shut-in.

Commingled production through a single production string is expected to maximize production and reserve recovery from both zones and mitigate liquid loading issues. Reservoir pressures are similar for the two pools. There is a slight variation in H_2S content between the pools (Dunlevy – 0.4%, Halfway – 2.4%); however, cross flow is not a concern due to the similar reservoir pressures in the pools.

We wish to advise you that your application to commingle production is hereby approved, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Dunlevy (1182.5 – 1248.7 mKB) and Halfway (1683.4 – 1736.6 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1, BC S-2 and BC-08 forms on the basis of Dunlevy 40% and Halfway 60%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744 www.ogc.gov.bc.ca