



May 14, 2008

2920-4100/4540-59070-20

Leonard Fabes, P.Eng.  
Exploitation Engineer  
Canadian Natural Resources Limited  
Suite 2500, 855 – 2 Street SW  
CALGARY AB T2P 4J8

Dear Mr. Fabes:

**RE: COMMINGLED PRODUCTION APPROVAL**  
**CNRL CACHE 11-15-088-22; WA# 4638**

The Commission has reviewed your application dated May 1, 2008 requesting permission to commingle production from the Baldonnel and Coplin zones encountered in the subject well.

The Commission has designated these pools as the Cache –Baldonnel “A” and Coplin “A” gas pools. Both pools contain multiple wells.

The Coplin zone was perforated and fracture stimulated in October 1981. Production commenced in December 1994 at  $9.4 \times 10^3 \text{m}^3/\text{d}$  and peaked at  $21.7 \times 10^3 \text{m}^3/\text{d}$  in July 1997 before declining. In January 2001, the Baldonnel was completed (perf'd and acidized) and production commenced in April 2001 at  $91.6 \times 10^3 \text{m}^3/\text{d}$ . The Baldonnel and Coplin zones were produced segregated and declined to rates of  $7.4 \times 10^3 \text{m}^3/\text{d}$  and  $5.3 \times 10^3 \text{m}^3/\text{d}$ , respectively by August 2007. In September 2007, CNRL opened the sliding sleeve and began flowing the zones in a commingled state without approval. The Commission would like to remind CNRL that as per s. 41 of the *Drilling and Production Regulation*:

“An operator of a well must not complete a well, or allow a well to be completed, for commingled production from more than one pool or zone unless the operator first applies for and receives permission in writing from an authorized commission employee”.

Commingled production through a single production string is expected to maximize production and reserve recovery from both zones. Reservoir pressure and gas composition are similar for the two 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 Baldonnel (1284.5 – 1294.5 mKB) and Coplin (1436.0 – 1437.0 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 and BC S-2 forms on the basis of Baldonnel 45% and Coplin 55%.
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

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**RESOURCE CONSERVATION**

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