



July 14, 2008

3300-2600/2700-59070-20

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

Dear Mr. McDougall:

**RE: COMMINGLED PRODUCTION APPROVAL
CNRL OSBORN b-032-K/094-A-09; WA# 18791**

The Commission has reviewed your application dated June 25, 2008 requesting permission to commingle production from the Bluesky and Gething zones encountered in the subject well.

The Commission has designated these pools as the Currant –Bluesky “B” and Gething “E” gas pools. Both pools contain the single subject well.

The Bluesky and Gething zones were perforated and fracture stimulated together in March, 2005. Commingled production commenced in April 2006 at $6.0 \times 10^3 \text{m}^3/\text{d}$ and the well last produced in March 2008 at $0.6 \times 10^3 \text{m}^3/\text{d}$. Commingling approval was not requested until June 2008. 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 Bluesky (1055.0 – 1056.0 mKB) and Gething (1072.0 – 1073.0 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, BC S-2 and BC S-08 forms on the basis of Bluesky 50% and Gething 50%.
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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