



December 20, 2006

4380-2500/2900-59070-20

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

Dear Mr. White:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
CNRL UNIT N GRIZZLY b-62-G/93-I-15; WA# 3180**

The Commission has reviewed your application dated November 2, 2006 requesting permission to commingle production from the Grizzly North field Falher “A” and Dunlevy “A” gas pools completed in the subject well.

Significant production history exists for these multi-well pools, and the individual zones in the subject well. Gas production from the Falher formation was suspended in October 2005 due to liquid loading. The Dunlevy zone continues to produce, from a lower wellbore interval. Commingled production will allow the potential recovery of remaining Falher reserves without adversely affecting gas production from the Dunlevy formation. Both zones are expected to produce at modest rates, with the majority of remaining reserves originating from the Dunlevy formation.

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 Falher (1994.6–1999.5 mKB) and Dunlevy (2491.9–2833.6 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 and BC S-2 forms on the basis of Falher 10% and Dunlevy 90%. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

We note that previously misreported production has now been amended to the correct zones for this well. Should you have any questions, please contact the undersigned at (250) 952-0310.

Sincerely,

Ron Stefik, ASCT
Sr. Reservoir Engineering Technologist
Resource Conservation Branch

RESOURCE CONSERVATION BRANCH

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