



July 4, 2006

6480-2200/2505/2515-59070-20

Ralph White, P.Eng.  
Exploitation Engineer  
Canadian Natural Resources Limited  
2500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary AB T2P 4J8

Dear Mr. White:

**RE: APPROVAL FOR COMMINGLED PRODUCTION**  
**CNRES OJAY d- 84-D/93-I-16; WA# 16585**

The Commission has reviewed your application dated June 15, 2006, for approval to commingle gas production from the Cadotte, Falher A and Falher C zones encountered in the subject well.

The Commission has designated the gas pools under application to be the Ojay – Cadotte “E”, Falher A “A” and Falher C “C” pools. An approval to commingle the Falher A and Falher C zones has previously been issued by the Commission (July 22, 2004). On October 26, 2005, CNRL applied for approval to include the Cadotte zone in the commingled gas stream. However it was determined that the production rate from the Cadotte was too high to justify commingling at that time. The Cadotte is currently producing up the tubing/casing annulus at a rate of  $20.0 \times 10^3 \text{ m}^3/\text{d}$  and is experiencing liquid loading problems. As such, commingled production is expected to increase the productive life of this well, thereby increasing recoverable reserves. Gas analyses indicate sweet gas in all three zones.

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

1. Production from the Cadotte (2226.0 – 2232.0 mKB), Falher A (2334.0 – 2358.5 mKB) and Falher C (2426.5 – 2450.0 mKB) formations may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Cadotte 35%, Falher A 30 % and Falher C 35%. 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.

Sincerely,

Richard Slocomb, M.A.Sc., P.Eng.  
Supervisor  
Reservoir Engineering

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**RESOURCE CONSERVATION BRANCH**

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

Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 [www.ogc.gov.bc.ca](http://www.ogc.gov.bc.ca)