



October 13, 2004

6480-2505/2515-59070-20
OGC - 04293

Leonard Fabes, P.Eng.
Exploitation Engineer
Canadian Natural Resources Limited
2500, 855 - 2nd Street SW
Calgary AB T2P 4J8

Dear Mr. Fabes:

**RE: APPLICATION FOR INTERIM COMMINGLED PRODUCTION APPROVAL
CNRES OJAY c- 95-D/93-I-16; WA# 17383**

The Commission has reviewed your application dated September 3, 2004 requesting interim approval to commingle gas production from the Falher A and Falher C zones encountered in the subject well.

The Commission designates the gas pools under application to be the Ojay - Falher A "A" and Falher C "C".

The Falher A "A" and Falher C "C" in the off-setting well CNRES OJAY d-84-D/093-I-16 have previously been approved for commingled production. Reservoir flow and pressure tests conducted on both zones in d-84-D, indicate anomalous behavior consistent with off-setting pool drainage. Indications are that the two Falher zones in the well d-84-D are in communication with one another, likely through natural fault/ fractures. As the subject well c-95-D has penetrated the same two Falher pools, they are also expected to be in communication with one another. Gas analyses are expected to be similar for the two pools. Segregated Falher production at c-95-D would appear to be unnecessary and commingled production may in fact increase the productive life of this well, thereby increasing recoverable reserves.

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

1. A production test must be completed to establish the AOF, and initial reservoir pressure for both productive zones, and reports filed as per the requirements of Sections 84 and 95 of the *Regulation*.
2. A formal application for commingled production, as outlined in the "Guideline for Approval to Commingle Production from Two or More Zones", available from the OGC website, must be submitted with supporting test data, gas analysis and proposed allocation factors for production reporting.
3. Formal approval for commingled production will not be authorized until the above conditions have been met.

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

Sincerely,

Richard Slocumb, P.Eng.
Supervisor
Reservoir Engineering

COMMINGLED PRODUCTION

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