



July 22, 2004

6480-2505/2515-59070-20

OGC - 04225

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

Dear Mr. Fabes:

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

The Commission has reviewed your application dated July 7, 2004 for 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".

Reservoir flow and pressure tests conducted on both zones, from March to May 2004, indicate anomalous behavior consistent with off-setting pool drainage. As the likely drainage point at d-72-D/93-I-16 is only completed and producing from the Falher C interval, the two Falher zones in the subject well d-84-D must be in communication with one another, likely through natural fault/ fractures. Gas analyses appear to be similar for the two pools. Segregated Falher production at d-84-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 approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the 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 Falher A 40 % and Falher C 60%. 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,

P.S. Attariwala, P.Eng.
Supervisor
Reservoir Engineering

COMMINGLED PRODUCTION

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- 59070-20
- Daily
- Resource Revenue
- R. Stefik
- G. Farr
- P.S. Attariwala
- D. Krezanoski
- RICHARD SLOCOMB

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