



March 2, 2007

6500-2600/2700-59070-20

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

Dear Mr. Fabes:

**RE: COMMINGLED PRODUCTION APPROVAL
CNRL OSPREY c-87-J/94-A-15; WA# 20395**

Commission staff have reviewed your application dated January 3, 2007 requesting permission to commingle gas production from the Bluesky and Gething formations in the subject well. The Commission designates the gas pools under application to be the Osprey field – Bluesky “B” and Gething “F”.

The Gething “F” is mapped as a single well pool, the Bluesky “B” pool is producing from two wells. Initial AOF estimates for the Bluesky and Gething are $51.0 \text{ } 10^3 \text{ m}^3/\text{d}$ and $38.1 \text{ } 10^3 \text{ m}^3/\text{d}$, respectively, however combined total production is now approximately $19 \text{ } 10^3 \text{ m}^3/\text{d}$. Both zones contain sweet gas.

The Commission notes that this well was completed and placed on production in April 2006 in a commingled configuration without prior approval from this office. Well tests at location d-13-J indicated communication between these formations outside the wellbore, likely due to fracture stimulation, resulting in recognition of commingled production. Commingled production is expected to help alleviate liquid loading, increasing the productive life of the well and thereby maximizing recoverable reserves.

We wish to advise 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 Bluesky (1031.0 – 1034.0 mKB) and Gething (1053.0 – 1058.0 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 and BC S-2 forms on the basis of Bluesky 50% and Gething 50%. 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.

Please note that the subject well c-87-J is producing from the same gas spacing area as the well CNRL Osprey b-86-J/94-A-15 (WA# 4084) from the same Osprey Bluesky “B” gas pool. **Either, one of these wells must be shut-in**, resulting in a single producing well, **or successful application made for Good Engineering Practice (GEP)** to allow continued production at this reduced spacing.

Sincerely,

Ron Stefik, AScT
Sr Reservoir Engineering Technologist

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