

OIL AND GAS COMMISSION

March 12, 2007

6800-2600/2700-59070-20

Jeff Knibbs, R.P.T.(eng) Exploitation Technologist Canadian Natural Resources Limited Suite 2500, 855 – 2 Street SW Calgary AB T2P 4J8

Dear Mr. Knibbs:

RE: INTERIM APPROVAL FOR COMMINGLED PRODUCTION CNRL ET AL PEEJAY d-A79-H/94-A-15; WA# 22672

The Commission has reviewed your application dated March 1, 2007 for approval to commingle gas production from the Bluesky and Gething zones encountered in the subject well.

The affected gas spacing area is located within the approved area of a Good Engineering Practice (GEP) Approval 07-06-005 for the Peejay - Gething "B" pool. A GEP approval for the Bluesky zone was not approved as the zone appears to be tight and non-productive.

Your request for an interim approval is intended to allow the acquisition of additional supporting data for a formal commingling application. As noted in your application, reservoir pressures and gas compositions should be similar for the two zones. Both zones are expected to be marginal producers, therefore, commingled production through a single coil string is expected to maximize production and reserve recovery.

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. Production from the Bluesky and Gething formations may be commingled.
- 2. A supplementary application for commingled production, with supporting test data and gas analysis, must be submitted, with proposed allocation factors for production reporting.
- 3. AOF and reservoir pressure reports, based on available data, must be filed for each zone as per the requirements of sections 84 and 95 of the *Regulation*.
- 4. Formal approval for commingled production *will not* be authorized until all of the above listed conditions have been met.

Sincerely,

Richard Slocomb, P. Eng. Supervising Reservoir Engineer Resource Conservation Branch

RESOURCE CONSERVATION BRANCH PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301 Location: 6th Flr 1810 Blanshard St. Victoria BC