



July 18, 2007

6800-2600/2700-59070-20

Festus Fariyibi
Exploitation Engineer
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street SW
CALGARY AB T2P 4J8

Dear Mr. Fariyibi:

**RE: COMMINGLED PRODUCTION APPROVAL
CNRL PEEJAY b-27-H/94-A-15; WA# 18415**

The Commission has reviewed your application dated May 16, 2007 requesting permission to commingle production from the Bluesky and Gething zones encountered in the subject well.

The Commission has designated these pools as the Peejay – Bluesky “A” and Gething “J” gas pools.

The Bluesky has been mapped as a single well pool. The Bluesky was fracture stimulated in February 2007 and tested at a stabilized rate of $4.0 \times 10^3 \text{ m}^3/\text{d}$. The Gething has been mapped as a multi-well pool. The Gething in the subject well commenced production at $8.3 \times 10^3 \text{ m}^3/\text{d}$ in April 2005. However due to liquid loading this zone was suspended in January 2006 after producing $620 \times 10^3 \text{ m}^3$ of gas. Commingled production through a single coil tubing string is expected to alleviate liquid loading thereby extending the productive life of the wellbore and maximizing reserve recovery.

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

1. Production from the Bluesky (1027.0–1030.0 mKB) and Gething (1045.0–1048.0 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 60% and Gething 40%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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

Sincerely,

Richard Slocomb, P.Eng.
Supervising Reservoir Engineer

RESOURCE CONSERVATION BRANCH

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