



March 5, 2007

6800-2700/4100-59070-20

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 PEEJAY d-55-I/94-A-15; WA# 8662

The Commission has reviewed your application dated February 15, 2007 requesting permission to commingle gas production from the Gething and Baldonnel formations in the subject well.

The Commission designates the gas pools under application to be the Peejay field – Gething “B” and Baldonnel “H”.

The Gething is part of a multi well pool whereas the Baldonnel is mapped as a single well pool, all operated by CNRL. The Gething has produced $17.6 \cdot 10^6 \text{ m}^3$ and capable of producing at $7.0 \cdot 10^3 \text{ m}^3/\text{d}$. The Baldonnel has produced $11.1 \cdot 10^6 \text{ m}^3$ and capable of $6.0 \cdot 10^3 \text{ m}^3/\text{d}$. However, production from the Baldonnel has been intermittent due to liquid loading. Commingled production is expected to help alleviate liquid loading thereby increasing the productive life of the well and 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 Gething (998.0 – 1002.0 mKB) and Baldonnel (1012.7 – 1018.7 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 Gething 50% and Baldonnel 50 %.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca