



March 26, 2007

7250-2600/2700-59070-20

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

Dear Mr. Fabes:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
CNRL PICKELL d-10-H/94-H-3; WA# 20527**

The Commission has reviewed your application dated February 20, 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 Pickell – Bluesky “K” and Gething “K” gas pools. The Bluesky is a small single well pool, and is currently producing at $4.1 \times 10^3 \text{ m}^3/\text{d}$. The Gething is mapped as a two well pool. The Gething zone in the subject well is also currently producing at $4.1 \times 10^3 \text{ m}^3/\text{d}$. Liquid loading is becoming a significant problem as productivity drops off for both zones. Gas analyses are similar for the two pools. As both zones are marginal producers, commingled production through single coiled tubing is expected to increase gas flow velocity thereby lifting liquids. This should result in higher production and reserves 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 (1033.5–1035.0 mKB) and Gething (1045.0–1060.0 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 30% and Gething 70%.
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

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) 261-5700 Fax: (250) 261-5744 www.ogc.gov.bc.ca