



March 20, 2006

7250-2400/2630-59070-20

Montie Hale, EIT.
Exploitation Engineer
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street SW
CALGARY AB T2P 4J8

Dear Mr. Hale:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
CNRL PICKELL b-37-H/94-H-3; WA# 20430**

The Commission has reviewed your application received February 12, 2007 requesting permission to commingle production from the Notikewin and Gething zones encountered in the subject well.

The Commission has designated these gas pools as the Pickell – Notikewin “A” and Bluesky-Gething “B”. The Notikewin is a very large multi-well pool being developed by various operators under several Good Engineering Practice (GEP) schemes. Both zones in the subject well were individually perforated, fractured and flow tested. The Notikewin tested at $31.4 \times 10^3 \text{ m}^3/\text{d}$ whereas the Bluesky-Gething tested at $13.4 \times 10^3 \text{ m}^3/\text{d}$. The well was set up as a dual producer with each zone producing up a coil string. Both zones have been producing since April 2006. The Notikewin has produced $2.2 \times 10^6 \text{ m}^3$ and currently producing at $7.8 \times 10^3 \text{ m}^3/\text{d}$ whereas the Bluesky-Gething has produced $1.2 \times 10^6 \text{ m}^3$ and currently producing at $3.2 \times 10^3 \text{ m}^3/\text{d}$. As this well is located in a winter access area, the operator is unable to maintain marginal production from both zones throughout the year. Due to the low productivity from each zone, commingling is considered appropriate and commingled production is expected to maximize production and reserve recovery. It should be noted that an off-setting well, Tempeng et al Mike c-28-H/94-H-3, was granted commingled gas production approval from these same two pools.

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 Notikewin (781.0–802.0 mKB) and Bluesky-Gething (1029.0–1033.0 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 Notikewin 70% and Bluesky-Gething 30%. 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.

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

Sincerely,

Richard Slocomb, P.Eng.
Supervising Reservoir Engineer

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