OIL AND GAS COMMISSION

August 31, 2006 7250-2400/2700-59070-20

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 b-34-H/94-H-3; WA# 20416

The Commission has reviewed your application dated June 30, 2006 requesting permission to temporarily commingle production from the Notikewin and Gething zones encountered in the subject well.

The Commission has designated these pools as the Pickell – Notikewin "A" and Gething "P" gas pools. The Notikewin is part of a very large multi well pool, and tested at 38.5 10^3 m^3/d. The Gething is mapped as a single well pool and tested at 8.5 10^3 m^3/d. The well was completed for production with dual coiled tubing strings and a packer to allow for segregated production. The packer was inadvertently set above the highest completed interval, thereby commingling both zones. This well is in a winter access area and the operator is unable to remedy this situation until December 2006. Since commencing commingled production in April 2006, well production has declined from 23.2 10^3 m^3/d to 4.9 10^3 m^3/d. Due to the low productivity of the commingled zones, continued commingled production is expected to maximize production and reserve recovery from both zones.

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 (781.5–787.0 mKB) and Gething (1053.5–1058.0 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 80% and Gething 20%. 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
Resource Conservation Branch