



April 30, 2007

7780-2600/4500-59070-20

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

Dear Mr. Hale:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
CNRL SILVER c-76-C/94-H-11; WA# 20407**

Commission staff have reviewed your application received March 12, 2007 requesting permission to commingle production from the Silver field – Bluesky “A” and Charlie Lake “D” gas pools encountered in the subject well.

The Bluesky “A” is a multi-well pool, intermittent production due to liquid loading from this well beginning in April 2006, currently averaging gas of $2.0 \times 10^3 \text{m}^3/\text{d}$. The Charlie Lake “D” is a single well pool, last reported gas rate of $1.6 \times 10^3 \text{m}^3/\text{d}$. Commingled production through the production tubing is expected to lift liquids more effectively thereby extending the economic life of this well. Both zones are at similar reservoir pressure and both produce trace sour gas.

The 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 (1053.0 – 1054.5 mKB) and Charlie Lake (1069.0 – 1071.0 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 50% and Charlie Lake 50%. 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) 952-0310.

Sincerely,

Ron Stefik, AScT
Sr Reservoir Engineering Technologist
Resource Conservation Branch

RESOURCE CONSERVATION BRANCH

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