



February 9, 2007
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8220-2600/2700/4100-59070-

David Sanderson
Exploitation Engineer
Canadian Natural Resources Limited
2500, 855 – 2nd Street SW
Calgary AB T2P 4J8

Dear Mr. Sanderson:

**RE: COMMINGLED PRODUCTION, INTERIM APPROVAL
CNRL UMBACH a-57-F/94-H-3; WA# 22429**

The Oil and Gas Commission has reviewed the application dated January 30, 2007, and earlier related correspondence, requesting approval to commingle gas production from the Bluesky, Gething and Baldonnel formations in the subject well. The Commission designates the zones noted as 'Upper Gething' and 'Middle Gething' (interval 1088 - 1102 mKB) as a single Gething pool, thus commingling approval for this specific combination is not required. The interval noted as 'Basal Gething' (1134 - 1138 mKB) is a separate pool.

The Baldonnel zone was recently flow tested for a 38-hr period, a rapidly declining gas rate and flowing pressure indicative of limited reserves potential. The Baldonnel has been verbally field reported as sweet gas and is presently suspended below a WR bridgeplug. The Gething intervals are thin and expected to contribute modest production and reserves. The Bluesky formation potential is unknown at this time. The Bluesky and Gething formations contain sweet gas in this area.

The application proposes completion and stimulation of the Gething and Bluesky zones in a non-segregated manner, in a sequence allowing an initial reservoir pressure measurement of 'Middle Gething'. Should a combined gas flow test of these formations indicate limited reserves, the OGC is amenable to a final completion in a commingled state. However, the operator of off-setting wells producing from the Gething formation, Creo Energy Ltd., must be provided an opportunity to respond to this proposal. Objection may require segregation of specific zones.

We wish to advise that your application to commingle production from the Bluesky, Gething and Baldonnel formations is hereby granted **interim** approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions being met:

1. Should the aggregate gas flow rate exceed $60.0 \text{ e}^3\text{m}^3/\text{d}$, additional testing will be required to allocate reported production and may result in a requirement to segregate production from one or more zones.
2. The measurement and reporting of the initial reservoir pressure for each zone, as required per Section 95(1) of the *Regulation*, is waived.
3. A measurement of the absolute open flow potential of the commingled zones may be filed in lieu of testing individual zones, under Section 84 of the *Regulation*.
4. A supplemental application for commingled production must be submitted, with the results of completion operations, and proposed allocation factors for production reporting.

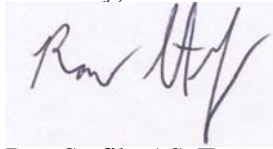
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RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
Location: 6th Flr 1810 Blanshard St. Victoria BC

Should you have any questions, please contact the undersigned at (250) 952-0310.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Stefik", is written over a light blue rectangular background.

Ron Stefik, ASCT
Sr Reservoir Engineering Technologist