



July 6, 2007

8240-2630/4610-59070-20

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

Dear Mr. Wylie:

**RE: COMMINGLED PRODUCTION APPROVAL
CNRL VELMA d-24-D/94-H-8; WA# 9812**

Commission staff have reviewed your application dated March 28, 2007 (received May 29, 2007) requesting permission to commingle production from the Charlie Lake and A Marker zones encountered in the subject well.

The Commission designates these pools as the Velma field – Bluesky-Gething “A” and A Marker/Base of Lime “A”. Your alternative interpretation of the Bluesky-Gething as a Charlie Lake member was considered, however based on historic attributions in the area this zone will remain as assigned. The Bluesky-Gething is a large multi-well pool, on production from the subject well since December 2002 and recently producing at $1.0 \times 10^3 \text{ m}^3/\text{d}$. The A Marker, a two active well pool, was placed on production in January 1997 and is now at a gas rate of $4.5 \times 10^3 \text{ m}^3/\text{d}$. Both formations contain trace amounts of sour gas. Commingled production through the production tubing will lift liquids more effectively thereby extending the economic life and reserves recovery of this well.

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-Gething (990.0–992.0 mKB) and A Marker (1029.0–1032.0 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-Gething 40% and A Marker 60%.
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

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) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca