



April 10, 2006

3430-2400/2600-59070-20
OGC -- 06136

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

Dear Mr. Wylie:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
CNRL VELMA d-28-B/94-H-8; WA# 18061**

The Commission has reviewed your application dated April 4, 2006 requesting permission to commingle production for the following 8 months from the Notikewin and Bluesky zones encountered in the subject well.

Recent gas production rates from the Notikewin zone have averaged 2 e³m³/d, the Bluesky 49 e³m³/d. Operations began on March 23, 2006 to change the production string, but have resulted in a "fish" of tubular/packer equipment stuck in the well bore at the base of the Notikewin perforations. Field reports indicate well bore restriction impeded production at 22 e³m³/d, indicating that the Notikewin and Bluesky zones are in communication and capable of production in a partially commingled state.

Both zone produce sweet gas. CNRL is committed to finish operations interrupted by spring break-up and segregate these zones, returning to this location when winter conditions allow access. Allowing continued production until that time will mitigate any cross-flow potential between these zones of differing pressure.

We wish to advise you that your application to temporarily 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 (747.0–750.0 mKB) and Bluesky (979.0–981.0 mKB) zones may be commingled.
2. Gas 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 flowing at 2 e³m³/d, with the remainder to the Bluesky. Water production should be reported at the area average WGR of 0.10 m³/e³m³ (~0.2 m³/d). All condensate production should be allocated to the Bluesky zone.
3. This approval is valid until December 15, 2006, and additionally, may be modified if deemed appropriate through a change in circumstances.

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

Sincerely,

Ron G. Stefik, AScT
Sr. Reservoir Engineering Technician

**Approval Letters to Industry
COMMINGLED PRODUCTION**

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<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

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