



June 1, 2007

8300-4040/4800-59070-20

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

Dear Mr. Fabes:

**RE: COMMINGLED PRODUCTION APPROVAL
CNRL WEASEL d-91-J/94-A-15; WA# 3668**

The Commission has reviewed your application dated April 11, 2007 requesting permission to commingle production from the Nordegg and Halfway zones encountered in the subject well.

The Commission has designated these pools as the Weasel –Nordegg/Baldonnel “B” and Halfway “A” gas pools.

The Nordegg/Baldonnel zone was completed in January 1994 and flowed at very high initial rates; however the zone was damaged while retrieving the perforating guns. The Halfway zone was perforated and fracture stimulated in March 1976 and tested at rates as high as $141.0 \times 10^3 \text{ m}^3/\text{d}$. The Halfway was not placed on production until March 1996. The Halfway began experiencing problems with liquid loading in 2003 and production was suspended in January 2006, when the Nordegg/Baldonnel was placed on production. In May 2006, CNRL removed the tubing plug isolating the Halfway zone and began flowing the well in a commingled state without approval. The Commission would like to remind CNRL that as per s. 41 of the *Drilling and Production Regulation*:

“An operator of a well must not complete a well, or allow a well to be completed, for commingled production from more than one pool or zone unless the operator first applies for and receives permission in writing from an authorized commission employee”.

Commingled production through a single production string is expected to maximize production and reserve recovery from both zones. CNRL is the operator of all wells in these pools.

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 Nordegg/Baldonnel (1006.5 – 1008.9 mKB) and Halfway (1118.9 – 1123.4 mKB) zones may be commingled.

2...

RESOURCE CONSERVATION BRANCH

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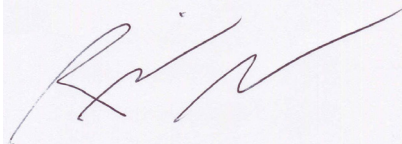
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2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Nordegg/Baldonnel 50% and Halfway 50%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Please note that production has not been reported to the Nordegg/Baldonnel zone, despite being on production since January 2006. Please submit amended S-1 reports to ensure that production is reported to the appropriate zones.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

Richard Slocomb, P.Eng.
Supervising Reservoir Engineer