



OIL AND GAS COMMISSION

June 3, 2005

3560-4800-59240-07
OGC - 05177

Encal Project (02)

Nam Kiong Pui
Exploitation Engineer
Canadian Natural Resources Limited
2500, 855 - 2 Street S.W.
Calgary AB T2P 4J8

Dear Mr. Pui:

RE: CONCURRENT PRODUCTION APPROVAL AMENDMENT #2
FLATROCK HALFWAY "E" POOL

The Commission has reviewed your application dated May 4, 2005 requesting an amendment to the Concurrent Production approval in the subject pool.

A concurrent production scheme was approved for Sections 17 and 18-84-16 W6M and 13 and 14-84-17 W6M, effective October 16, 1978. This approval was amended in 1981, 1984, 1991 and 1992, resulting in Section 17-84-16 W6M being removed and Sections 23 and 26-84-17 W6M being added. A geological review has shown that the most recently drilled well 4-19-84-16 W6M (WA# 18589) has encountered gas pay in the subject pool. The Flatrock Halfway "E" pool is a mature, depleted oil pool, as indicated by the 3226 kPa initial pressure obtained from 4-19 on April 5, 2005. Controlled gas production from 4-19 is not expected negatively impact the ultimate recovery of oil. Accordingly, Approval 78-07-003 (Amendment #2) is hereby granted under section 97 of the Petroleum and Natural Gas Act.

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

Cc: Talisman
Canadian Jorex
Progress Energy
PENGROWTH

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.

Copy 9

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Steflk
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

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APPROVAL 78-07-003 (AMENDMENT #2)

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION**

IN THE MATTER of a Concurrent Production scheme for producing the Flatrock Halfway "E" pool with a project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to section 97 of the Petroleum and Natural Gas Act, hereby amends the Concurrent Production scheme for oil and gas production with project allowables, as such scheme is described in

an Application from Canadian Natural Resources Limited (CNRL) to the Commission dated May 4, 2005.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of the Sections 18 and 19-84-16 and Sections 13, 14, 23 and 26-84-17.
2. The project daily oil allowables are as follows:

Well Authorization	Well Location	DOA (m ³ /d)
3304	06-18-84-16 W6M	18.8
18589	04-19-84-16 W6M	0.0
3221	06-13-84-17 W6M	11.2
2912	16-13-84-17 W6M	0.0
4190	10-14-84-17 W6M	13.0
6375	A14-14-84-17 W6M	18.9
4916	10-23-84-17 W6M	12.0
4427	10-26-84-17 W6M	12.0
7756	06-26-84-17 W6M	10.1
7940	02-26-84-17 W6M	11.0

APPROVAL 78-07-003 (AMENDMENT #2)

3. Gas production will be as follows:

Well Authorization	Well Location	DGA (10^3 m ³ /d)
3304	06-18-84-16 W6M	56.3
18589	04-19-84-16 W6M	15.3
3221	06-13-84-17 W6M	40.5 (shared w 16-13)
2912	16-13-84-17 W6M	40.5 (shared w 6-13)
4190	10-14-84-17 W6M	11.6
6375	A14-14-84-17 W6M	16.8
4916	10-23-84-17 W6M	22.2
4427	10-26-84-17 W6M	17.1
7756	06-26-84-17 W6M	9.0
7940	02-26-84-17 W6M	9.8

4. All produced gas must be conserved.
5. The requirements of section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
6. This approval may be modified or rescinded at a later date if deemed appropriate.



Craig Gibson
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of June 2005.