



OIL AND GAS COMMISSION

April 29, 2003

6800-4800-59240-07
OGC - 03103

CNRL Project (13)

Wayne Kennedy, P. Eng.
Exploitation Engineer
Canadian Natural Resources Limited
2500, 855 - 2 Street S.W.
Calgary AB T2P 4J8

Dear Mr. Kennedy:

RE: CONCURRENT PRODUCTION APPROVAL AMENDMENT #1
PEEJAY HALFWAY "N" POOL

The Commission has reviewed your application dated April 10, 2003 requesting an amendment to the Concurrent Production approval in the subject pool.

Based on a geological review it is concluded the subject oil pool is relatively small with a limited gas-cap. A review of the pool's performance indicates that your proposal to produce the pool with higher gas rates has merit. This is viewed as a controlled blow down of the gas-cap. In order to maximize oil recovery, the oil well c-60-L must be produced unrestricted, with the remaining gas allowable limit available for production from the gas-cap well d-70-L/94-A-16. Accordingly, Approval 02-07-007 (Amendment #1) is hereby granted under section 97 of the Petroleum and Natural Gas Act.

It should be noted that the project allowables may be amended if another operator successfully completes an oil well outside the project area in the subject pool.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

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

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- | | |
|--------------------------|----------------------|
| <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. Stefik |
| <input type="checkbox"/> | G. Farr |
| <input type="checkbox"/> | P. Attariwala |
| <input type="checkbox"/> | D. Krezanoski |

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APPROVAL 02-07-007 (AMENDMENT #1)

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

IN THE MATTER of a Concurrent Production scheme of Canadian Natural Resources Limited (CNRL) for producing the Peejay Halfway "N" 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 of CNRL for oil and gas production with project allowables, as such scheme is described in

an Application from CNRL to the Commission dated April 10, 2003 and related submission.

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

1. The area of the scheme shall consist of the units 51, 61 of Block I/94-A-15 and units 60, 70 of Block L/94-A-16.
2. The project daily oil allowable is waived.
3. Gas production will be limited to $60.0 \times 10^3 \text{ m}^3/\text{d}$.
4. The well c-60-L/94-A-16 must be preferentially produced at maximum capacity.
5. All produced gas must be conserved.
6. 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.
7. This approval may be modified or rescinded at a later date if deemed appropriate.



Craig Gibson
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this 29th day of April 2003.