



OIL AND GAS COMMISSION

May 18, 2007

8900-4610-59240-07

Montie Hale, EIT  
Exploitation Engineer  
Canadian Natural Resources Ltd.  
2500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary AB T2P 4J8

Dear Mr. Hale:

**RE: CONCURRENT PRODUCTION APPROVAL, AMENDMENT #1**  
**ZAREMBA – A MARKER “A” POOL**

Commission staff have reviewed your application, dated February 13, 2007, requesting an amendment to the Concurrent Production scheme approved July 23, 1998 for the subject pool, specifically, increasing the area and current gas rate limit of 12.0 e<sup>3</sup>m<sup>3</sup>/d.

The A Marker “A” pool has been produced since November 1996 from the single well CNRL et al Zarembo c-77-E/94-H-7 (WA# 9665). The current oil production rate is approximately 1.1 m<sup>3</sup>/d, gas rate of 8.8 e<sup>3</sup>m<sup>3</sup>/d. The well CNRL Zarembo d-76-E/94-H-7 (WA# 20678) has been completed and mapped in the same pool, penetrating the gas cap at a higher structural elevation. Production performance, delineation drilling and a recent reservoir pressure measurement from d-76-E confirm a pool of limited size.

Gas production at c-77-E continues to exceed the solution gas-oil ratio. Concurrent Production, with conservation of produced gas, was originally approved to allow economic rates due to severe restriction under the GOR penalized allowable. The request to commence production from d-76-E at a controlled rate is reasonable at this stage of depletion, with minimal impact expected on recovery of the limited remaining oil reserves.

Approval 98-07-010 (Amendment #1) is hereby granted under Section 97 of the Petroleum and Natural Gas Act. No objections were received following publication of notice of the application.

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

Sincerely,

Doug McKenzie  
Director  
Resource Conservation Branch

Attachment

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**RESOURCE CONSERVATION BRANCH**

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**APPROVAL 98-07-010 (AMENDMENT #1)**

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

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IN THE MATTER of a Concurrent Production scheme of Canadian Natural Resources Ltd. (CNRL) for producing the Zarembo A Marker/Base of Lime "A" oil 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, as such scheme is described in

*an Application from CNRL to the Commission dated July 2, 1998, and February 13, 2007 and related submissions.*

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

1. The area of the scheme shall consist of:  
94-H-7 Block E - units 76, 77, 86 and 87.
2. The project daily oil allowable is waived.
3. Gas production from the scheme is limited to  $20.0 \times 10^3 \text{ m}^3/\text{d}$ .
4. All produced gas must be conserved.
5. This approval may be modified or rescinded at a later date if deemed appropriate.



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Doug McKenzie  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 18<sup>th</sup> day of May, 2007.