



September 12, 2002

CNRL Project (05)

Mr. Dick VanAppelen, P. Eng.
Reservoir Engineer
Canadian Natural Resources Limited
2500, 855 - 2 Street S.W.
Calgary, AB T2P 4J8

Dear Mr. VanAppelen:

**RE: APPLICATIONS FOR CONCURRENT PRODUCTION WITH
GOOD ENGINEERING PRACTICE AMENDMENTS
Buick Creek Lower Halfway "B", "C", "D", "E", "H", "I", "J", "K", "N" and "O" Pools**

Attached is an amendment to the Concurrent Production approval with Good Engineering Practice (GEP) for the Lower Halfway "C" pool, as requested in your application dated July 15, 2002. Amended approvals for the "B", "D", "E", "H", "I", "N" and "O" pools were granted on August 23, 2002.

There is a correlative issue with respect to the "C" pool as Talisman Energy Inc. operates a portion of the pool. Therefore, an approval amendment for the "C" pool was not granted. However, we have now received a letter from Talisman dated September 11, 2002 indicating that they have no objection to the requested amendment.

The Approval 94-07-005 (Amendment #6) is hereby granted under section 97 of the Petroleum and Natural Gas Act to allow operational flexibility in order to maximize oil recovery. The approval will allow the drilling of new horizontal laterals from existing wells to access undrained portions of this pool to improve primary recovery. In addition, there is potential for improved oil recovery from proposed fracture stimulations of vertical and horizontal wells.

Sincerely,

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

Attachment

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

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

ENGINEERING AND GEOLOGY BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0...
Location: 6th Flr 1810 Blanshard St. Victoria BC

APPROVAL 94-07-005 (AMENDMENT #6)

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

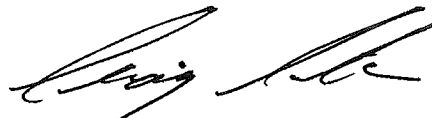
IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice (GEP) of Canadian Natural Resources Limited (CNRL) for producing the Buick Creek Lower Halfway "C" oil pool without spacing and target restrictions, and without a project oil allowable.

NOW, THEREFORE, the Commission, pursuant to section 97 of the Petroleum and Natural Gas Act hereby approves an amendment to the Concurrent Production scheme of CNRL for drilling horizontal wells without spacing and target restrictions and for concurrent production of oil and gas without an oil allowable, as such scheme is described in:

an Application from CNRL to the Commission dated July 15, 2002.

The scheme approval of September 25, 2000 (Amendment #5) is hereby amended, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of units 75 -78, 84 - 88, 94 - 98 of Block I /94-A-11 and units 4 - 8, 14 - 17, 24 - 27 of Block A/94-A-14.
2. The project daily oil allowable is waived.
3. Gas production from the project will be limited to $426.0 \times 10^3 \text{ m}^3/\text{d}$.
4. All gas production will 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
Manager
Reservoir Engineering and Geology

DATED AT the City of Victoria, in the Province of British Columbia, this ~~12~~¹⁴ day of September, 2002.