

February 24, 2004

2400-4805-59240-07 OGC - 04083

CNRL Project (05)

Robert Steinborn, P.Eng. Exploitation Engineer Canadian Natural Resources Limited Suite 2500, 855 - 2 Street SW Calgary, AB T2P 4J8

Dear Mr. Steinborn:

RE: APPLICATION FOR CONCURRENT PRODUCTION WITH GOOD ENGINEERING PRACTICE (AMENDMENT #7)
BUICK CREEK - LOWER HALFWAY "C" POOL

Attached is an amendment to the Concurrent Production Approval with Good Engineering Practice (GEP) for the subject pool, as requested in your application dated February 13, 2004.

Drilling of a development well at b-36-A/94-A-14 (WA# 16145) has extended the area of the subject pool outside of the existing project area. Accordingly, the Approval 94-07-005 (Amendment #7) is hereby amended under Section 97 of the <u>Petroleum and Natural Gas Act</u>. The gas production limit has also been increased to reflect the additional reserves. This approval is intended to allow operational flexibility in order to maximize oil recovery.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik at 952-0310.

Sincerely, Approval Letters to Industry GEP, SWD, CONCURRENT PROD PRESSURE MAINTENANCE. WATERFLOOD, ETC. Copy 9 Wellfile (originals) 59240 Craig Gibson, P. Eng. Daily Resource Revenue Director S. Chicorelli Resource Conservation Branch R. Stefik G. Farr P. Attariwala D. Krezanoski Attachment

APPROVAL 94-07-005 (AMENDMENT #7)

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 <u>Petroleum and Natural Gas Act</u> 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 February 13, 2004.

The scheme approval of September 12, 2002 (Amendment #6) is hereby amended, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of:

94-A-11 Block I - units 75 - 78, 84 - 88, 94 - 98 94-A-14 Block A - units 4 - 8, 14 - 17, 24 - 27 and 36.

- 2. The project daily oil allowable is waived.
- 3. Gas production from the project will be limited to 453.8 10³ m³/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

Director

Resource Conservation Branch

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DATED AT the City of Victoria, in the Province of British Columbia, this 27 day of February, 2004.