



OIL AND GAS COMMISSION

August 11, 2006

2400-4805-59240-07

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

Dear Mr. Sanderson:

**RE: APPLICATION FOR CONCURRENT PRODUCTION WITH
GOOD ENGINEERING PRACTICE
BUICK CREEK - LOWER HALFWAY "U" POOL**

Commission staff have reviewed your application, dated July 10, 2006 for Concurrent Production with Good Engineering Practice for the Buick Creek field Lower Halfway "U" pool.

The well CNRL Buick c-7-A/94-A-14 (WA# 16175) has been producing from this pool since November 2003 under an individual well daily oil allowable. The recently drilled development well CNRL Buick c-8-A/94-A-14 (WA# 19790) has confirmed and extended the area of the Lower Halfway "U" pool.

Attached is Concurrent Production with Good Engineering Practice (GEP) Approval 06-07-004 for the subject pool, issued under Section 97 of the Petroleum and Natural Gas Act. Approval will allow both wells to produce from the same oil spacing area, without an oil allowable restriction, granting operational flexibility in order to maximize oil recovery.

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

Sincerely,

A handwritten signature in dark ink that reads 'D. McKenzie'. The signature is written in a cursive style with a long horizontal stroke at the end.

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 06-07-004

**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 "U" 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 a Concurrent Production scheme of CNRL for producing 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 10, 2006 and related submissions.

The scheme approval is hereby approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of:
94-A-11 Block I - unit 98
94-A-14 Block A – unit 8.
2. The project daily oil allowable is waived.
3. Gas production from the project will be limited to $72.2 \times 10^3 \text{ m}^3/\text{d}$.
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.



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 11th day of August, 2006.