



July 19, 2004

2920-4540-59240-06
OGC - 04223

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

CNRL Project #1 (03)
CNRL Project #2 (04)

Dear Mr. Fabes:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
WITH CONCURRENT PRODUCTION
CACHE CREEK - COPLIN "A" POOL**

Attached are two Good Engineering Practice (GEP) scheme approvals with Concurrent Production for the subject pool as requested in your application dated May 14, 2004. As the original application consisted of two non-contiguous areas two approvals are being issued.

The Cache Creek Coplin "A" pool has been producing since 1976 as a non-associated gas pool. The well DECL Cache B10-27-088-22 (WA 14968) commenced production as an oil well in September 2003 from the subject pool, requiring a change in pool interpretation to recognize a limited oil leg with large gascap. In order to maximize oil recovery from this partially depleted pool, while allowing continued gas production, concurrent production is considered appropriate. Accordingly, Approval 04-06-046 (CNRL Project #1) and 04-06-047 (CNRL Project #2) are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. These GEP scheme approvals will allow operational flexibility in production management and to allow the drilling of additional wells without spacing and target considerations to maximize pool oil and gas recovery.

Please note 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.
Director
Resource Conservation Branch

Attachments

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

Copy #0

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

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

APPROVAL 04-06-046

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme for Concurrent Production of Canadian Natural Resources Limited (CNRL) for producing a portion of the Cache Creek Coplin "A" pool without spacing or target restrictions.

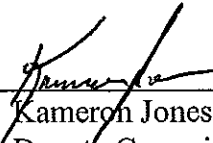
NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme for Concurrent Production of CNRL for gas production without spacing or target restrictions and for concurrent production of oil and gas, as such scheme is described in

an Application for GEP from CNRL to the Commission dated May 14, 2004.

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

1. The area of the scheme shall consist of:

Twp 88 Rge 22 W6M – Sections 15 and 23.
2. Project gas production will be limited to $28.0 \times 10^3 \text{ m}^3/\text{d}$.
3. All produced gas must be conserved.
4. The requirements of Sections 9 and 10 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 and gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved area.
5. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones
Deputy Commissioner
Resource Conservation Branch

DATED AT the City of Fort St. John, in the Province of British Columbia, this 5th day of July 2004.

APPROVAL 04-06-047

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme for Concurrent Production of Canadian Natural Resources Limited (CNRL) for producing a portion of the Cache Creek Coplin "A" pool without spacing or target restrictions.

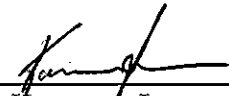
NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme for Concurrent Production of CNRL for gas production without spacing or target restrictions and for concurrent production of oil and gas, as such scheme is described in

an Application for GEP from CNRL to the Commission dated May 14, 2004.

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

1. The area of the scheme shall consist of:

94-A-11 Block L – units 16-19, 26-29, 36-39, 46-49, 56-59 and 66-69.
2. Project gas production will be limited to $75.0 \times 10^3 \text{ m}^3/\text{d}$.
3. All produced gas must be conserved.
4. The requirements of Sections 9 and 10 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 and gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved area.
5. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones
Deputy Commissioner
Resource Conservation Branch

DATED AT the City of Fort St. John, in the Province of British Columbia, this 5th day of July 2004.