



BRITISH
COLUMBIA

CNRL - Remington Project (04)

September 19, 1997

8100-4900-59240-07
970839

Mr. Jerry Harvey
Joint Venture Manager
Canadian Natural Resources Limited
2000, 425 - 1st Street SW
Calgary, AB T2P 3L8

Mr. Larry Petropoulos
V.P. Production, Marketing
Remington Energy Ltd.
750, 550-6th Avenue SW
Calgary, AB T2P 0S2

Dear Sirs:

**RE: APPLICATION FOR CONCURRENT PRODUCTION WITH
GOOD ENGINEERING PRACTICE
STODDART WEST DOIG "E" POOL**

Attached is a Concurrent Production with Good Engineering Practice (GEP) scheme approval for the subject pool as requested in your joint application of July 30, 1997.

The Approval 97-07-013 is hereby granted under section 97 of the *Petroleum and Natural Gas Act*.

This approval is intended to allow operational flexibility in order to maximize oil recovery. As CNRL and Remington have made a joint application, all equity issues have been addressed. However, the approval conditions may be modified if oil wells outside the project area are completed in the subject pool by another operator.

Please note that the Concurrent Production Approval 96-07-008 (Amendment #1) granted to Remington on December 17, 1996 is hereby rescinded.

Yours sincerely,

Bou van Oort, P. Eng.
Director
Engineering and Operations Branch

Attachment

Copies for Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.

- | | |
|-------------------------------------|-----------------------|
| <input type="checkbox"/> | G. Miltenberger |
| <input type="checkbox"/> | Data Management |
| <input checked="" type="checkbox"/> | R. Stefik |
| <input type="checkbox"/> | D. Richardson (PGE) |
| <input type="checkbox"/> | P. Attariwala |
| <input type="checkbox"/> | G. Farr |
| <input type="checkbox"/> | S. Chicorelli (PGE) |
| <input type="checkbox"/> | Resource Revenue |
| <input type="checkbox"/> | 59240 |
| <input type="checkbox"/> | Wellfiles (originals) |
| <input type="checkbox"/> | Daily |

APPROVAL 97-07-013

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
MINISTRY OF EMPLOYMENT AND INVESTMENT
ENERGY AND MINERALS DIVISION**

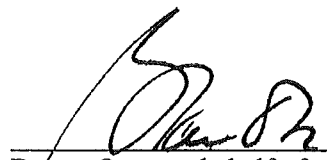
IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice (GEP) of Canadian Natural Resources Limited (CNRL) and Remington Energy Ltd. (Remington) for producing the Stoddart West Doig "E" oil pool without spacing and target restrictions and with a project oil allowable.

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

a joint Application from CNRL and Remington to the Division dated July 30, 1997 and related submission.

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

1. The area of the scheme shall consist of SW/4 sec 30, N/2 sec 30 and sec 31-87-21 W6M, S/2 sec 6-88-21 W6M, E/2 sec 25 and E/2 sec 36-87-22 W6M and SE/4 sec 1-88-22 W6M.
2. The project daily oil allowable is 800 m³/d.
3. Gas production from the scheme area is limited to 960 10³ m³/d.
4. Any well exceeding a GOR of 1200 m³/m³ must be shut-in.
5. All gas production will be conserved.
6. The requirements of section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not nearer than 100 m to the sides of the approved area.
7. Royalty free oil production from the discovery well Remington W Stoddart ⁰¹⁻³¹ ~~16-32-87-21~~ W6M (WA ~~9611~~ ⁹⁶³⁶) is limited to a total volume of 10,183 m³ ^{3,371.3} or the volume produced in the first 36 producing months, whichever is lesser.
8. This approval may be modified or rescinded at a later date if deemed appropriate.



B. van Oort, on behalf of
the Division Head
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this ^{19th} day of September, 1997.