



OIL AND GAS COMMISSION

July 20, 1999

4380-2500-59240-15
OGC 990411

Ms. Casandra Lai
Exploitation Engineer
Canadian Natural Resources Limited
2000, 425 - 1st Street SW
Calgary, AB T2P 3L8

CNRL Project (03)

Dear Ms. Lai:

**RE: EXPERIMENTAL SCHEME FOR COAL BED METHANE
Grizzly North Fahler Formation; b-86-G/93-I-15**

The Commission has reviewed your application dated July 6, 1999 requesting experimental scheme status for testing coal bed methane gas potential from the well CNRL Grizzly b-86-G/93-I-15. (WA# 6379)

Please note that the Commission has designated the Main Coal seam interval (708 - 717 mKB) to be a coal within the Fahler formation. Accordingly all production should be assigned to the Fahler formation (Code 2500).

Attached is Approval 99-15-002 for the application granted under section 100 of the Petroleum and Natural Gas Act. The scheme is considered experimental as it involves a potentially long dewatering period with unknown gas flow rates. Approval allows production testing of the well for a period of one year with sweet gas flaring. Also, in accordance with section 57 of the Drilling and Production Regulation well report and well data will be held confidential for a period of 3 years.

Sincerely,

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

Attachment

cc: Petroleums Lands Branch
Ministry of Energy and Mines

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

Copy

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- R. Stefik
- G. Farr

Email

- D. Krezanowski
- S. Chicorelli
- C. Gibson
- P.S. Attarigale

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

IN THE MATTER of the experimental scheme of Canadian Natural resources Limited. (CNRL), for extended production testing of coal bed methane from a coal within the Falher formation in the well b-86-G/93-I-15.

The Commission, pursuant to section 100 of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361 orders as follows:

1. The experimental scheme for a coal bed methane production test from a coal within the Falher formation of the Grizzly North field as described in the application from ~~CHEL~~^{CNRL} to the Commission dated July 6, 1999 is hereby approved, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of unit 76, 77, 86 and 87 of Block G/93-I-15.
3. Any gas production less than 10 e3m3/d may be flared for a period not exceeding one year from the date of approval.
4. Within 60 days after the end of each 6-month period, a report of the progress, performance and efficiency of the scheme during that period must be filed. The following information must be included in the progress report:
 - The daily average rate of gas and water production for the well;
 - The monthly cumulative gas and water production for the well;
 - Results of any pressure build-up or fall-off tests;
 - The date and type of any well treatment or workover performed on the well;
 - Any other interpretative information that is considered necessary to evaluate the progress, performance and efficiency of the scheme.
5. All information and analysis related to the scheme shall be made available to the Commission upon request.
6. The effective date of the experimental scheme is the date of this approval.
7. All produced water from the scheme area will be disposed of into an underground formation.
8. A gas well may be drilled anywhere within the scheme area provided that it is not nearer than 250 m to the sides of the scheme area.
9. The approval or any condition of it may be modified or rescinded at a later date if deemed appropriate.



Bou van Oort
Director
Engineering and Geology Branch
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this **20** day of July, 1999.