



September 13, 2011

1260-4100-59240-06

Jason D. Smith, P. Eng  
Exploitation Engineer  
Canadian Natural Resources Ltd.  
2500, 855 – 2<sup>nd</sup> St. S.W.  
Calgary AB T2P 4J8

Dear Mr. Smith:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT  
OTHER THAN NORMAL SPACING ORDER  
BIRCH FIELD – BALDONNEL “C” POOL**

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The Commission has reviewed your application dated June 1, 2011, requesting amendment of a Good Engineering Practice approval for the Birch field – Baldonnel “C” pool. The pool was originally approved for Good Engineering Practice in October, 1993, with no well allowable restrictions, as per Approval 93-06-006 and the project area was amended in September 2009.

As a Good Engineering Practice special project, the applicant intends to locate, complete and operate wells in a manner to optimize petroleum resource recovery while minimizing surface impacts. Oil recovery will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites.

The following Orders are attached:

- 1) Order 93-06-006 (Amendment #2) designating Good Engineering Practice within a portion of the Birch field Baldonnel “C” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 93-06-006 (Amendment #2) approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

The project area has been amended to add 3 spacing units where pool extension is identified and remove 18 spacing units where mineral ownership has reverted.

Should you have any questions, please contact Kelly Okuszko at (250) 419-4433.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Jeakins', is written over a light blue circular stamp.

Paul Jeakins  
Chief Operating Office  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Canadian Natural Resources Limited to the Commission dated June 1, 2011 for a Good Engineering Practice project amendment.

**ORDER 93-06-006 (Amendment #2)**

1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Birch field – Baldonnel “C” pool is designated as a special project for the enhanced recovery of petroleum and natural gas utilizing Good Engineering Practice within the following area;

NTS 94-A-13 Block H - Units 52, 53, 62, 72-77, 82-88, 94-100

Block I - Units 4-10, 16-20, 28-30, 38-40, 48-50, 59, 60, 70, 80, 90

Block J - Units 1, 2, 11, 21, 22, 31-33, 41-43, 51-53, 61-63, 71, 81.

- 2 The project daily oil allowable is waived.
- 3 A project daily gas production limit shall not apply.
- 4 All produced gas must be conserved.



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Paul Jeakins  
Chief Operating Office  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this <sup>Bjm</sup> day of September 2011.

IN THE MATTER of an application from Canadian Natural Resources Limited to the Commission dated June 1, 2011 for Other Than Normal Spacing.

**ORDER 93-06-006-OTN (AMENDMENT #2)**

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Birch – Baldonnel C pool within the following area;

NTS 94-A-13 Block H - Units 52, 53, 62, 72-77, 82-88, 94-100

Block I - Units 4-10, 16-20, 28-30, 38-40, 48-50, 59, 60, 70, 80, 90

Block J - Units 1, 2, 11, 21, 22, 31-33, 41-43, 51-53, 61-63, 71, 81.

- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:

- a) the target area for an oil well completed within the project area is not nearer than 100 m to the sides of the Other Than Normal Spacing area,
- b) an oil well completed outside the specified target area may be subject to an off-target production penalty,
- c) oil wells drilled within the specified project area are not subject to spacing requirements.



Kelly Okuszeko  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 13<sup>th</sup> day of September 2011.