



OIL AND GAS COMMISSION

August 13, 2003

2920-4800-59240-06
OGC - 03218

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

CNRL Project (02)

Dear Mr. Fabes:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
CACHE CREEK - HALFWAY "A" POOL**

The Commission has reviewed your application dated June 24, 2003 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the subject pool.

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 03-06-028 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

Notice of your application was published in the B.C. Gazette with July 31, 2003 being the last date for any objections. A letter dated July 31, 2003 was received from Dominion Exploration Canada Ltd. Dominion is in agreement with the technical merits of downspacing in this pool. However, Dominion proposes that no daily gas allowable (DGA) be assigned. Accordingly, a DGA limit has not been applied in condition #3 of the approval. Your application proposes two wells per GSU. The Commission believes that the drilling of wells at higher density within a GEP should be decided by well economics and has not imposed spacing density limit to the approval.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

Cc: Michael Kaluza (Dominion Exploration Canada Ltd.)

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

Copy 10

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	C. Gibson
<input type="checkbox"/>	D. Krezanoski

ENGINEERING AND GEOLC

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291
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 03-06-028

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Canadian Natural Resources Limited (CNRL) for producing a portion of the Cache Creek Halfway "A" pool gas without well spacing and 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 of CNRL for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from CNRL to the Commission dated June 24, 2003.

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


1. The area of the project shall consist of:

94-A-11 Block L - units 16-19, 26-29, 36-39, 46-49, 56-59 and 66-69.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.

3. The gas wells within the project area may be produced without individual well allowable restrictions.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



Derek Doyle
Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 13th day of August 2003.