

December 17, 2003

3430-2400-59240-06 OGC - 03333

Guy Wylie, P.Eng.
Exploitation Engineer
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street SW
Calgary AB T2P 4J8

CNRL Project (02)

Dear Mr. Wylie:

RE: GOOD ENGINEERING PRACTICE APPROVAL DRAKE - NOTIKEWIN "A" POOL

The Commission has reviewed your application dated October 23, 2003 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Drake/Ladyfern Notikewin formation.

The OGC has mapped the zone of application as the Drake - Notikewin "A" gas pool.

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 03-06-042 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 production of additional gas wells for maximization of gas recovery.

Please note that the well CNRES Drake d-68-F/94-H-1 (WA 9768) is located off-target for gas production and is subject to an off-target production penalty factor of 0.2696. Accordingly, Notikewin production must not exceed a penalized daily gas allowable (DGA) of 16.2 e³m³/d for this well.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Steffk (250) 952-0310.

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| Sincerely, | Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE, WATERFLOOD, ETC. | · · |
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| Craig Gibson, P. Eng. | Daily Resource Revenue | |
| Director | S. Chicorelli | Ļ |
| Resource Conservation Branch | R. Stefik G. Farr | |
| Attachment | P. Attariwala C. Gibson D. Krezanoski | |
| RESOURCE | CONSERVATION BR | ٠. |

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 03-06-042

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 Drake – Notikewin "A" pool without spacing 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 as such scheme is described in

an Application from CNRL to the Commission dated October 23, 2003 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;

94-H-1: Block C – units 92, 93

Block E – units 31, 41, 51, 61, 71, 81

Block F – units 2, 3, 14, 15, 24, 25, 34-40, 44-50, 54, 55, 58-60, 64, 65, 68-99

Block G – units 78-80, 88-90, 98-100

Block J – units 8-10, 60, 70, 80, 90

Block K – units 1-9, 12-19, 22-29, 34-37, 44-47, 51-57, 61-67, 71-77, 81-87.

- 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 low of December 2003.