

March 17, 2006

3540-4805-59240-06
OGC - 06111

Robert Richardson, P.Eng.
Exploitation Engineer
Canadian Natural Resources Limited
2500, 855 - 2nd Street SW
Calgary AB T2P 4J8

CNRRL Project (02)

Dear Mr. Richardson:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1
FIREWEED - LOWER HALFWAY "A" POOL**

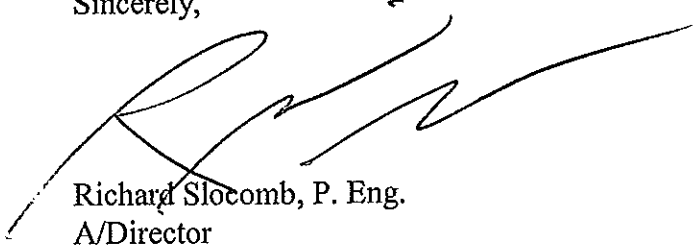
The Commission has reviewed your application dated January 30, 2006 requesting a Concurrent Production approval for producing the subject pool.

A Good Engineering Practice (GEP) scheme approval was issued April 7, 1997 for the initial developed area, produced by two wells. Recent drilling has resulted in a revised interpretation, as a much larger oil pool. The Commission is concerned that premature approval of Concurrent Production may hinder opportunities for effective reservoir management; preferential production of lower GOR wells and examination of secondary recovery opportunities. As additional well and performance data becomes available the Commission is open to re-examining the merits of this application. However, an expansion of the existed GEP approval should provide flexibility with well locations and production management to foster continued exploitation efforts.

The attached GEP scheme Approval 97-06-003 (Amendment #1) is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. The approval is intended to allow operational flexibility and to allow the production of oil wells without spacing and target considerations for maximization of oil recovery.

Should you have any questions, please contact Ron Stefik (250) 952-0310.

Sincerely,



Richard Slocomb, P. Eng.
A/Director
Resource Conservation Branch

Approval Letters to Industry
GEP, SWD, Concurrent Prod, Pressure
Maintenance, Waterflood, Etc.

Copy 12

<input type="checkbox"/>	Daily	<input type="checkbox"/>	E. O'Neill
<input type="checkbox"/>	Wellfile	<input type="checkbox"/>	J. Merson
<input type="checkbox"/>	59240	<input type="checkbox"/>	D. Krezanoski
<input type="checkbox"/>	R. Slocomb	<input type="checkbox"/>	L. Miller
<input type="checkbox"/>	R. Stefik	<input type="checkbox"/>	Resource Rev.
<input type="checkbox"/>	G. Farr	<input type="checkbox"/>	S. Chlcorelli

Attachment

RESOURCE CONSERVATION BRANCH

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 97-06-003 (AMENDMENT #1)

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

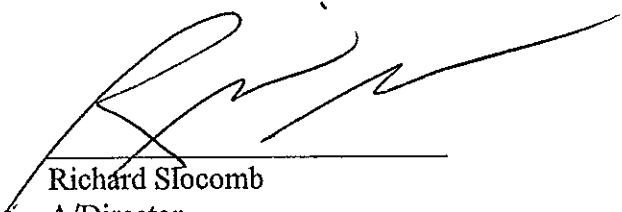
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Canadian Natural Resources Limited (CNRL) for producing the Fireweed Lower Halfway "A" oil pool without well spacing and target restrictions and with a project oil allowable.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends 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 March 25, 1997 and January 30, 2006 and related submissions.

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

1. The area of the project shall consist of:
 - 94-A-13 Block H – units 31, 32, 41-43, 51-53, 61, 62, 72, 73, 82, 83, 92, 93
Block I – units 2, 3
 - 94-A-14 Block E – units 40, 50 and 60.
2. The reserves based project daily oil allowable is 280.6 m³.
3. All produced gas must be conserved.
4. The requirements of Section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the project area are not completed nearer than 100 m to the sides of the approved project area.
5. This approval may be modified or rescinded at a later date if deemed appropriate.


Richard Slocomb
A/Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this th 20 day of March 2006.