



OIL AND GAS COMMISSION

October 31, 2006

3540-4805-59240-06

David Sanderson, P.Eng.
Exploitation Engineer
Canadian Natural Resources Limited
2500, 855 – 2nd Street SW
Calgary AB T2P 4J8

Dear Mr. Sanderson:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #2
FIREWEED – LOWER HALFWAY “A” POOL**

The Commission has reviewed your application dated October 13, 2006 requesting an amendment to the Good Engineering Practice (GEP) scheme approval for the subject pool.

Amendment #1 to this GEP approval was issued March 17, 2006, following development of the pool in the fall of 2005. Recent drilling (August 2006 to present) has resulted in updated mapping and a larger calculated oil-in-place value. The attached GEP Approval 97-06-003 (Amendment #2), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, increases the daily oil allowable to 382.4 m³.

The Commission remains 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 for this significant resource. As additional well and performance data becomes available the Commission is open to re-examining the merits of such an application. The existing GEP approval should provide production flexibility to manage continued exploitation efforts.

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

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 97-06-003 (AMENDMENT #2)

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, January 30, 2006 and October 13, 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 382.4 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.


Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 31st day of October 2006.