

December 16, 2004

Arthur Faucher
Exploitation Engineer
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street S.W.
Calgary AB T2P 4J8

4700-8200-59240-06 OGC – 04351

CNRL Project #1 (02)

Dear Mr. Faucher:

RE: GOOD ENGINEERING PRACTICE APPROVAL (AMENDMENT #1)
HELMET – JEAN MARIE "A" POOL

Attached is a Good Engineering Project (GEP) scheme approval amendment for a portion of the subject pool, as requested in your application of August 31, 2004.

CNRL's GEP amendment request bridged three previously approved CNRL project areas (96-06-002, 04-06-005 and 04-06-006) in the Midwinter and Helmet North fields. This application coupled with several years of intensive development drilling in the North East has prompted the Oil and Gas Commission to amalgamate the Helmet, Helmet North, Midwinter and Peggo-Pesh field Jean Marie pools into one large pool. The new field and pool name will be Helmet – Jean Marie "A". The oldest approval within the subject approval area is the Midwinter CNRL Project #1 and as such this approval has been amended. Therefore the Approval 96-06-002 (Amendment #1) is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. Consequently, the GEP approvals 04-06-005 and 04-06-006 granted on January 21, 2004, are hereby rescinded.

This approval is intended to allow operational flexibility and to allow the drilling and production of horizontal gas wells without spacing and target considerations for maximization of gas recovery.

Sincerely,

Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE, WATERFLOOD, ETC. Copy 10 Wellfile (originals) Craig Gibson, P. Eng. 59240 Daily Director Resource Revenue Resource Conservation Branch S. Chicorelli R. Stefik Attachments G. Farr P. Attariwala RESOURCE CONSERVATION BRA C. Gibson PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) Location: 6<sup>th</sup> Fir 1810 Blanshard St, Vict D. Krezanoski

Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1.1eM7, Fel: (ביט, בטו-טר בין מה. עבטען בטו-טר איז www.ogc.gov.bc.ca

## APPROVAL 96-06-002 (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 a portion of the Helmet - Jean Marie "A" gas pool without well spacing, target and production restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves an amendment to 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 August 31, 2004.

The scheme approval of November 25, 1996, is hereby amended subject to the conditions herein contained and, in particular:

# 1. The area of the project shall consist of:

### 94-P-10:

Block E - units 60, 70-75, 81-85, 91-95

Block F - units 11, 16-19, 21, 26-29, 31, 36-39, 41, 46-49, 51-59, 61-69, 71-100

Block G - units 18-20, 28-30, 38-40, 48-50, 60, 70, 80, 90, 100

Block J - unit 10, 56-60, 66-70, 78-80, 88-90, 98, 99

Block K - units 1-10, 12-20, 22-30, 32-40, 42-51, 54-61, 64-71, 76-81, 86-90, 96-100

Block L - units 1-5, 11-19, 21-29, 31-39, 41-49, 51-59, 61-69, 71-79, 81-89, 91-100

### 94-P-11:

Block G – units 91-95

Block H – units 51-53, 61-63, 72-77, 82-87, 92-100

Block I – units 2-10, 16-20, 26-30, 32-40, 42-50, 52, 53, 62, 63, 72, 73, 82, 83, 91-93

Block J – units 1-5, 11, 21, 31, 41

### 94-P-14:

Block A – units 1-3, 11-13, 21-23, 31-33, 41-43, 52-55, 62-65, 72-75, 82-85, 91

Block H - units 1, 11-15, 21-25, 31-35, 41-45, 51-53, 61-63, 71-75, 81-85, 91-95

Block I - units 1-5, 11-13, 21-23, 31-35, 41-45, 51-55, 61-65, 71-73, 81-83, 91-93

### 94-P-15:

Block A – units 20, 30, 36-40, 46-50, 56-60, 66-70, 78-80, 88-93, 96-100

Block B – units 8-9, 11, 16-20, 21, 26-100

Block C – units 6-11, 16-20, 21, 26-100

Block D – units 1-11, 18-21, 28-31, 38-41, 48-51, 61, 71, 81, 91, 100

Block E – units 1, 10-13, 20-23, 30-100

Block F – units 1-100

Block G – units 1-100

Block H – units 1-3, 6-75, 80-85, 90, 94, 95, 100

Block I – units 4, 5, 10, 14, 15, 20, 24, 25, 30, 34, 35, 40, 44, 45, 50, 54-60, 64-70, 76-

80, 86-90, 96-100

Block J - units 1-100

Block K - units 1-100

Block L – units 1-100

94-P-16:

Block D - unit 100

Block E - units 10-13, 20-23, 30-33, 38-43, 48-90

Block F - units 20, 30, 40, 50, 60, 70, 80, 90

95-A-2:

Block A – fractional units 6-10

Block B – fractional units 1-10

Block C – fractional units 1-10

Block D – fractional units 1-10

95-A-3:

Block A – fractional units 1-3

- 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.

Kameron Jones

Deputy Commissioner

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 14 day of December 2004.