

September 26, 2005

Kevin Hunter
Production Engineer
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street S.W.
Calgary AB T2P 4J8

4700-8200-59240-06 OGC – 05261

CNRL Project #1 (02)

Dear Mr. Hunter:

RE: GOOD ENGINEERING PRACTICE APPROVAL (AMENDMENT #2) <u>HELMET – JEAN MARIE "A" POOL</u>

Attached is a Good Engineering Project (GEP) scheme approval amendment for a portion of the subject pool, as requested in your application of August 25, 2005.

CNRL's GEP amendment request bridged four previously approved CNRL project areas (03-06-023, 04-06-003, 04-06-007 and 04-06-031) in the Helmet field. Therefore the Approval 96-06-002 (Amendment #2) is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This approval now incorporates the areas of the four CNRL GEP schemes mentioned above. Consequently, the GEP approvals 03-06-023, 04-06-003, 04-06-007 and 04-06-031 granted on July 9, 2003, January 21, 2004, January 29, 2004 and March 31, 2004, respectively, are hereby rescinded.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 9 Wellfile (originals) 59240 Richard Slocomb, P. Eng. Daily A/ Director Resource Revenue S. Chicorelli Resource Conservation Branch R. Stefik G. Farr Attachments R. Slocomb D. Krezanoski

# **APPROVAL 96-06-002 (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 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 25, 2005.

The scheme approval of November 25, 1996, amended December 16, 2004, is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

94-P-09:

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94-P-01:
Block J – units 58, 59, 68, 69, 78-80, 88-90, 96-100
Block K – units 54-57, 64-67, 71-77, 81-87, 91-100
Block L – units 60, 70, 80, 90-100.
94-P-02:
Block I – units 51-55, 61-65, 71-75, 81-85, 91-95.
94-P-07:
Block A – units 1-5, 11-15, 21-25, 31-35, 41-45, 51, 61, 71, 81, 91
Block H – units 1, 11, 21, 31-33, 41-43, 51-53, 61-63, 71-73, 81-83, 92-99.
Block I – units 2-9, 12-19, 22-29, 32-40, 42-70, 76-80, 86-90, 94-100
Block J – units 31, 41, 51-55, 61-65, 71-79, 81-89, 91-97
94-P-08:
Block B – units 6-10, 12-20, 22-30, 34-40, 44-50
Block C – units 1-50
Block D – units 1-50, 58-60, 68-70, 78-80, 88-90, 100
Block E – units 10, 20, 30, 40, 50, 60, 70, 80, 90.
Block L – units 60, 70
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Block D – units 40, 50, 58-60, 68-70, 78-80, 88-90, 98-100

Block E – units 8-10, 18-20, 28-30, 38-40, 48-50

## 94-P-10:

Block A – units 4-10, 12-20, 22-100

Block B – units 1-7, 11-17, 21-27, 31-39, 41-49, 51-100

Block C – units 51-57, 61-67, 71-77, 81-87, 91-97

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

Block F - units 1-7, 11, 16-19, 21, 26-29, 31, 36-39, 41, 46-49, 51-59, 61-69, 71-100

Block G - units 1-31, 38-41, 48-51, 60, 61, 70-75, 80-85, 90, 100

Block H – units 1-33, 38-43, 48-50, 52, 53, 60, 62, 63, 70, 80, 90

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.

Richard Slocomb

A/ Director

Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 26 day of September 2005.