



January 29, 2004

7020-8200-59240-06  
OGC - 04030

CNRL Project (07)

Kevin Hunter  
Exploitation Engineer  
Canadian Natural Resources Limited  
2500, 855 - 2nd Street S.W.  
Calgary AB T2P 4J8

NOW PART OF HELINET FIELD.

Dear Mr. Hunter:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
PEGGO-PESH - JEAN MARIE "A" POOL**

The Commission has reviewed your application dated December 1, 2003, requesting a Good Engineering Project (GEP) scheme approval for producing gas from the Jean Marie formation in the Peggo area.

The Commission maps the area of application as a portion of the Peggo-Pesh - Jean Marie "A" non-associated gas pool.

The Approval 04-06-007 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 drilling and production of horizontal gas wells without spacing and target considerations for maximization of gas recovery.

It is noted that the GEP approval area includes Drilling Licence 54437. Please note that Petroleum and Natural Gas Lease selection must be made prior to production.

Sincerely,

Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

Approval Letters to Industry  
GEP, SWD, CONCURRENT PROD,  
PRESSURE MAINTENANCE,  
WATERFLOOD, ETC.

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- P. Attariwala
- D. Krezanoski

Attachment

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of Canadian Natural Resources Limited (CNRL) for producing a portion of the Peggo-Pesh Jean Marie "A" pool gas 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 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 December 1, 2003.*

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

1. The area of the project shall consist of:

94-P-1:

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-2:

Block I - units 51-55, 61-65, 71-75, 81-85, 91-95

94-P-7:

Block A - units 1-5, 11-15, 21-25, 31-35, 41-45

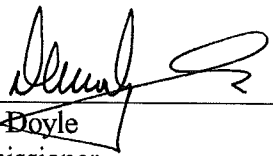
94-P-8:

Block B - units 6-10, 12-20, 22-30, 34-40, 44-50

Block C - units 1-50

Block D - units 1-50.

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.

  
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Derek Doyle  
Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 29 day of January 2004.