



OIL AND GAS COMMISSION

January 10, 2005

6140-4800-59240-06  
OGC - 05006

Leonard Fabes, P.Eng.  
Exploitation Engineer  
Canadian Natural Resources Limited  
Suite 2500, 855 - 2 Street S.W.  
Calgary AB T2P 4J8

CNRL Project #3 (06)  
CNRL Project #4 (07)

Dear Mr. Fabes:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
MONIAS - HALFWAY FORMATION**

The Commission has reviewed your application dated November 12, 2004, requesting a Good Engineering Project (GEP) scheme approval for producing gas from the Halfway formation in the Monias field.

The Commission received a letter of objection from Husky Oil Operations Ltd. regarding the subject pool. Husky operates a well directly adjacent to the subject area and believes that one well per gas spacing area will adequately drain the reserves from this pool. The OGC concurs with Husky's argument with respect to the wells in the center of the pool. However, those sections near the pool's edge will clearly benefit from the drilling of an additional well per spacing unit. Therefore the Commission has modified the area under application, issuing two smaller approval areas.

Attached are Approvals 05-06-003 and 05-06-004, granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. For regulatory purposes, the various Halfway sands encountered in the areas of application are deemed a single Halfway pool.

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

Should you have any questions, please contact Richard Slocomb at (250) 952-0366.

Sincerely,

Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

Attachment

Cc: Craig Marshall, Husky Oil

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

Copy 9

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
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Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

**APPROVAL 05-06-003**

**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 Monias Halfway formation gas wells without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of CNRL as such scheme is described in

*an Application from CNRL to the Commission dated November 12, 2004 and related submissions.*

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

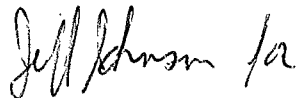
1. The area of the project shall consist of:

Twps 83 Rge 21 W6M - sections 2, 3, 4 and 9.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme 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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Craig Gibson  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 10<sup>th</sup> day of January 2005.

**APPROVAL 05-06-004**

**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 Monias Halfway formation gas wells without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of CNRL as such scheme is described in

*an Application from CNRL to the Commission dated November 12, 2004 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:

Twp 82 Rge 21 W6M – section 35.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme 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.



---

Craig Gibson  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 10<sup>th</sup> day of January 2005.