



OIL AND GAS COMMISSION

September 12, 2006

6140-4800-59240-06

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

Dear Mr. Fabes:

RE: GOOD ENGINEERING PRACTICE APPROVAL
MONIAS – HALFWAY FORMATION

The Commission has reviewed your application dated June 27, 2006, requesting a Good Engineering Project (GEP) scheme approval for producing gas from the Halfway formation in the Monias field.

Attached is Approval 06-06-054, 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,

A handwritten signature in black ink, appearing to read 'Doug McKenzie', is written over a light blue grid background.

for Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 06-06-054

**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 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 June 27, 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:

Twp 83 Rge 22 W6M – sections 1 and 12.

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.



for Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of September 2006.