



March 27, 2012

9022-4997-59240-06

Robert Zinselmeyer, P.Eng.
Exploitation Engineer
Canadian Natural Resources Ltd.
2500, 855-2nd Street SW
Calgary AB T2P 4J8

Dear Mr. Zinselmeyer:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
NORTHERN MONTNEY REGIONAL FIELD – DOIG PHOSPHATE-MONTNEY “A” POOL**

The Commission has reviewed your application dated January 16, 2012, requesting approval of Good Engineering Practice for an area within the Kobes field – Montney/Doig Phosphate formation.

The Commission maps this area within the regional Northern Montney field – Doig Phosphate-Montney “A” pool. Gas recovery from this resource will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites. For regulatory purposes, the Commission designates the entire Montney sequence as a single formation, removing commingling as an issue.

The following Orders are attached;

- 1) Order 12-06-010 designating Good Engineering Practice within a portion of the regional Northern Montney field Doig Phosphate-Montney “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and area.
- 2) Order 12-06-010-OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject pool and area.

As a Good Engineering Practice special project, the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts. No objections were received following notice of application on the OGC website.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Curtis Kitchen at (250) 419-4443.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Jeakins', is written over a light blue horizontal line.

Paul Jeakins
Commissioner & CEO
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Canadian Natural Resources Ltd. to the Oil and Gas Commission dated January 16, 2012 for a Good Engineering Practice project.

ORDER 12-06-010

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the regional Northern Montney Field – Doig Phosphate-Montney “A” pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 94-B-8 Block H – units 94-97

Block I – units 4-7, 14-17, 24-27, 36, 37, 46, 47, 56-59, 66-69, 78-80, 88-90

Block J – units 71 and 81.



Paul Jenkins
Commissioner & CEO
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of March 2012.

IN THE MATTER of an application from Canadian Natural Resources Ltd. to the Oil and Gas Commission dated January 16, 2012 for Other Than Normal Spacing.

ORDER 12-06-010-OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the regional Northern Montney Field – Doig Phosphate-Montney “A” pool within the following area;

NTS 94-B-8 Block H – units 94-97
Block I – units 4-7, 14-17, 24-27, 36, 37, 46, 47, 56-59, 66-69, 78-80, 88-90
Block J – units 71 and 81.

- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:
 - a) The target area for a gas well completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area.
 - b) A gas well completed outside the specified target area may be subject to an off-target production penalty.
 - c) Gas wells drilled within the specified project area are not subject to spacing requirements.



Ron Stefik
Sr Technical Advisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of March 2012.