

November 22, 2004

6800/7000-2700-59240-06
OGC - 04325

Wayne Kennedy, P.Eng.
Exploitation Engineer
Canadian Natural Resources Limited
Suite 2500, 855 - 2 Street SW
Calgary AB T2P 4J8

4 pools / projects
CNRL Project (02) X 4

Dear Mr. Kennedy:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
PEEJAY WEST - GETHING "A" POOL AND
PEEJAY - GETHING "F", "G" AND "J" POOLS**

The Commission has reviewed your application dated August 23, 2004 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Peejay Gething formation.

Although the application was for one large project area overlapping the Peejay and Peejay West fields, the OGC has split the original area into four smaller projects to accommodate the four Gething pools mapped within the area. The OGC has mapped the zones of application as the Peejay West - Gething "A", Peejay - Gething "F", Peejay - Gething "G" and Peejay - Gething "J" gas pools.

Attached are the GEP scheme approvals for the subject pools. The Approvals 04-06-065, 04-06-066, 04-06-067 and 04-06-068 are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. These approvals are intended to allow operational flexibility and to allow the production of additional gas wells for maximization of gas recovery.

Please note that we have not received an application for waiver of off-target penalty for the well d-45-H/94-A-15 (WA# 1516). Although this well is off-target to CNRL land to the north, these lands are held under a separate PNG Lease and as such require a waiver.

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

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

**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
- R. Slocomb
- D. Krezanoski

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 04-06-065

**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 gas from the Peejay West – Gething “A” pool without spacing and target 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 as such scheme is described in

an Application from CNRL to the Commission dated August 23, 2004.

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

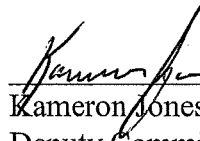
1. The area of the scheme shall consist of;

94-A-15: Block A – unit 100
Block B – unit 91
Block G – units 1, 11, 21, 31, 41
Block H – units 10, 20, 30, 40 and 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.

1. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{ m}^3/\text{d}$, per spacing area, as per Section 88(7) of the Regulations.

3. This approval may be modified or rescinded at a later date if deemed appropriate.


Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of ~~Victoria~~, in the Province of British Columbia, this 16th day of November 2004.
Fort St. John

APPROVAL 04-06-066

**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 gas from the Peejay – Gething “F” pool without spacing restrictions.

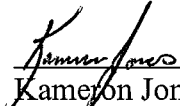
NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of CNRL as such scheme is described in

an Application from CNRL to the Commission dated August 23, 2004.

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

1. The area of the scheme shall consist of;

94-A-16: Block E – units 18, 19, 28, 29
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. Gas production from the scheme area must be restricted to a daily gas allowable of 60.0 10^3m^3 .
4. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of ~~Victoria~~, in the Province of British Columbia, this ^{16th} day of November 2004.
Fort St. John

APPROVAL 04-06-067

**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 gas from the Peejay – Gething “G” pool without spacing and target 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 as such scheme is described in

an Application from CNRL to the Commission dated August 23, 2004.

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

1. The area of the scheme shall consist of;

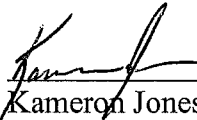
94-A-15: Block A – unit 91
Block H – units 1, 11-15, 21-25

94-A-16: Block D – unit 100
Block E – units 10, 20 and 30.

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. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{ m}^3/\text{d}$, per spacing area, as per Section 88(7) of the Regulations.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of ~~Victoria~~ ^{Fort St. John}, in the Province of British Columbia, this 16th day of November 2004.

APPROVAL 04-06-068

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 gas from a portion of the Peejay – Gething “J” pool without spacing and target restrictions.

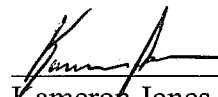
NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of CNRL as such scheme is described in

an Application from CNRL to the Commission dated August 23, 2004.

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

1. The area of the scheme shall consist of;

94-A-15: Block H – units 16-19, 26-29, 34-39 and 44-49.
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. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{ m}^3/\text{d}$, per spacing area, as per Section 88(7) of the Regulations.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of ~~Victoria~~ ^{Fort St. John}, in the Province of British Columbia, this ¹⁶ ~~10~~ day of November 2004.