



OIL AND GAS COMMISSION

April 10, 2003

Richard VanAppelen, P.Eng.
Canadian Natural Resources Limited
2500, 855 - 2 Street SW
Calgary AB T2P 4J8

7250-2400-59240-06
OGC - 03094

Handwritten: CNRL Project #1102

Dear Mr. VanAppelen:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
PICKELL NOTIKEWIN "A" POOL**

The Commission has reviewed your application dated March 5, 2003 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Birley field Notikewin formation.

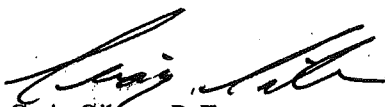
The Commission has designated the gas pool under application to be Pickell Notikewin "A".

Attached is a GEP scheme approval for a portion of the subject pool. The Approval 03-06-013 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 of additional gas wells without spacing and target considerations for maximization of gas recovery.

Notice of your application was published in the B.C. Gazette with April 3, 2003 being the last date for any objections. A letter dated April 2, 2003 was received from Devon Canada Corporation objecting to the scheme. However, Devon requested that if the scheme is approved, a daily gas allowable (DGA) be assigned to the units offsetting their lands and that development be capped at 2 wells per gas spacing unit (GSU). Accordingly, a DGA limit has been applied in condition #4 of the approval. Your application proposes two wells per GSU. The Commission believes that the drilling of wells at higher density within a GEP should be decided by well economics and has not imposed spacing density limit to the approval. Should, however, CNRL consider developing the approval area to greater than two wells per GSU, the Commission requests CNRL to discuss such development with us prior to initiating the development.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Stefik (250) 952-0310.

Sincerely,


Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

Cc: Allan Mayder, P. Eng., Devon Canada Corporation.

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

ENGINEERING AND GEOLOGY BRANCH

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APPROVAL 03-06-013

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 a portion of the Pickell Notikewin "A" pool gas without well 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 for drilling wells without spacing and target restrictions, as such scheme is described in

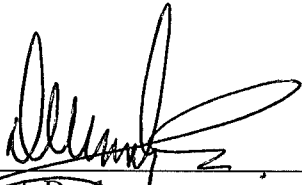
an Application from CNRL to the Commission dated March 5, 2003.

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

1. The area of the project shall consist of:

94-H-3 Block F - units 11, 21, 31, 41, 51, 61
 Block G - units 16-20, 26-30, 36-40, 46-50, 58-60 and 68-70.

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, except those located within spacing areas directly adjoining producing non-project spacing areas, may be produced without individual well allowable restrictions.
4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \text{ } 10^3 \text{ m}^3$, per spacing area, as per Section 88(7) of the *Drilling and Production Regulation*.
5. This approval may be modified or rescinded at a later date if deemed appropriate.



Derek Doyle
Commissioner
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 7th day of April 2003.