



OIL AND GAS COMMISSION

March 23, 2006

7760-7500-59240-06
7760-7700-59240-06
OGC - 06116

Jeff Knibbs, R.P.T.
Exploitation Technologist
Canadian Natural Resources Limited
2500, 855 - 2nd Street SW
Calgary AB T2P 4J8

CNRL Project (02)
CNRL Project (02)

Dear Mr. Knibbs:

**RE: GOOD ENGINEERING PRACTICE APPROVALS
SHEKELIE FIELD - SHUNDA "B" AND BANFF "A" POOLS**

Commission staff have reviewed your application, dated January 17, 2006, requesting Good Engineering Practice (GEP) scheme approval for a portion of the Shekelie - Banff "A" non-associated gas pool. A request was also received March 21, 2006 for GEP scheme approval for the Shunda formation in the area of application.

The area of application is an Other Than Normal gas spacing area along the British Columbia - Alberta border. More than one well is likely required in this enlarged area for effective reserves recovery at low production rates. An approval to commingle production from the Shunda and Banff was issued February 3, 2006, that included this area.

Attached are GEP project Approval 06-06-018 and Approval 06-06-019, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, for portions of the subject pools, respectively. These approvals are intended to allow operational flexibility for the drilling and production of additional gas wells to maximize gas recovery.

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

Sincerely,

Richard Slocomb, P. Eng.
A/Director
Resource Conservation Branch

Attachments

**Approval Letters to Industry
GEP, SWD, Concurrent Prod, Pressure
Maintenance, Waterflood, Etc.**

Copy 12

<input type="checkbox"/>	Daily	<input type="checkbox"/>	E. O'Neill
<input type="checkbox"/>	Wellfile	<input type="checkbox"/>	J. Merson
<input type="checkbox"/>	59240	<input type="checkbox"/>	D. Krezanoski
<input type="checkbox"/>	R. Slocomb	<input type="checkbox"/>	L. Miller
<input type="checkbox"/>	R. Stefik	<input type="checkbox"/>	Resource Rev.
<input type="checkbox"/>	G. Farr	<input type="checkbox"/>	S. Chicorelli

RESOURCE CONSERVATION BRANCH

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APPROVAL 06-06-018

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION

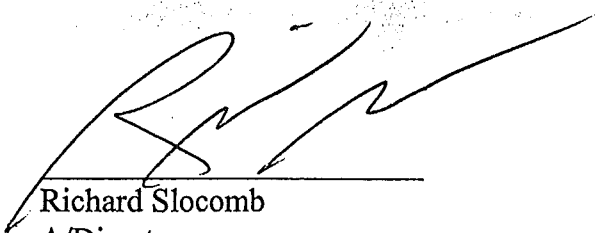
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Canadian Natural Resources Limited (CNRL) for producing a portion of the Shekelie – Shunda “B” pool without spacing and target restrictions.

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 January 17, 2006 and related submissions.

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

1. The area of the scheme shall consist of ;
94-I-16 Block H - units 51, 52, 53, 61, 62 and 63.
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 may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.


Richard Slocomb
A/Director
Resource Conservation Branch
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 23rd day of March 2006.

APPROVAL 06-06-019

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 Shekelie – Banff “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 January 17, 2006.

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

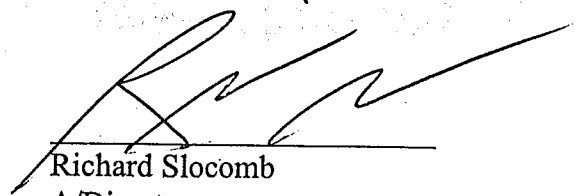
1. The area of the scheme shall consist of ;

94-I-16 Block H - units 51, 52, 53, 61, 62 and 63.

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 may be produced without individual well allowable restrictions.

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



Richard Slocomb
A/Director
Resource Conservation Branch
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 23rd day of March 2006.