

BC ENERGY REGULATOR

2950 Jutland Rd
Victoria BC V8T 5K2

November 19, 2025

Canadian Natural Resources Ltd.
6744 Airport Road
Fort St. John, British Columbia V1J 4H5

Attention: Doug Abel, Measurement Technologist
Email: doug.abel@cnrl.com

Re: Approval of Exemption Request – Drilling and Production Regulation Section 58(1) – Oil Well Testing Frequency for BCBT0000131-CNRL Eagle 02-01-085-19W6 battery, sub-type 322 Crude Oil Multiwell Proration Battery.

On July 16, 2025, Canadian Natural Resources Ltd. (CNRL) requested a deviation to section 9.3.3.1 of the BC Measurement Guideline to adjust the frequency of oil well testing for certain oil wells in battery FACID 131.

The BCER has recognized CNRL's submission as a request for an exemption under section 4(1)(r) of the Drilling and Production Regulation (DPR). Specifically, the BCER understands CNRL's request to be for an exemption to comply with the oil well testing frequency requirements prescribed under section 58(1) of the DPR.

Regulatory Authority

Pursuant to section 4(1)(r) of the DPR, an official may grant a permit holder an exemption in writing from application of section 58(1) of the DPR. Pursuant to section 4(2) of the DPR, an official may impose any conditions that the official considers necessary.

I have been delegated authority from the Commissioner to make a determination under section 4(1)(r) of the DPR. I have reviewed the request as well as the applicable legislation and the reasons for my decision follow.

Decision

Section 58(1) of the DPR requires a permit holder to conduct at least two production quantity tests per month on each oil well whose production quantity is delivered to a proration battery. The purpose of section 58(1) is to provide volumes for reporting to the Ministry of Finance and assessment of royalties owed to the Province.

CNRL's exemption request references 22 conventional oil wells currently producing to oil battery FACID 131. The oil wells subject to the exemption request are classified as stripper, low or medium class wells and CNRL proposes an alternative testing frequency depending on the class of well.

With respect to medium class wells, CNRL's proposal identifies that it will continue to conduct a well test two times per month for the five medium class wells producing to oil battery FACID 131. As this testing frequency aligns with the requirements of section 58(1) of the DPR, no exemption is required in relation to these wells.

Of the remaining 17 wells which are classed as stripper and low class wells, as listed in Schedule A, CNRL has requested a reduced testing frequency as these wells have lower oil production and CNRL is required to shut in the wells to perform the well tests. CNRL submits that by minimizing the shut in of the stripper and low class wells, CNRL will be able to preserve stabilized flow and provide more accurate well test data.

I agree that the current testing infrastructure requires the wells to be shut-in which disrupts stabilized flow and compromises data accuracy. Reduced testing will allow for more representative measurements while minimizing operational interruptions. The wells produced an average of 3.9 m³/day in 2024; these rates are consistent with reduced testing protocols. I am satisfied that the proposed reduction in testing frequency poses no risk to reservoir integrity. The wells are mature and exhibit low decline rates.

Further, the proration factor for FACID 131 has remained stable over the past 14 months (average 1.00918), indicating consistent production. The exemption supports continued economic viability of the wells and ensures accurate data reporting for royalty revenue calculation.

Accordingly, I have determined as follows:

Canadian Natural Resources Ltd. (CNRL) is granted an exemption from the requirement in section 58(1) of the Drilling and Production Regulation to conduct at least 2 production quantity tests per month on each oil well identified in Schedule A. This approval is subject to the following conditions:

1. CNRL must conduct a production quantity test using the test-to-test method of calculation on each well identified in Schedule A with the associated testing frequency, minimum time between tests, and duration identified in Schedule B
3. CNRL must keep a record of all production quantity tests required by item #1 and the record must include all information described in section 58(3) of the Drilling and Production Regulation.

This exemption does not relieve CNRL of any of its other regulatory obligations. CNRL must maintain a copy of this letter with the permit for FACID 131.

Sincerely,



Nicole Koosmann, P.Eng., P.M.P.
BC Energy Regulator Vice President, Safety, Engineering & Audit

Appendix A

Schedule A: Well ID, Class, Name for FACID 131

Well ID	Class No.	Name (Type)
100/05-22-084-18W6/00	3	low
100/06-22-084-18W6/00	4	stripper
100/16-15-084-18W6/00	3	low
100/10-26-084-18W6/00	4	stripper
100/15-26-084-18W6/02	3	low
100/02-32-084-18W6/00	4	stripper
100/06-26-084-18W6/00	3	low
100/14-35-084-18W6/00	4	stripper
100/13-03-085-18W6/00	4	stripper
100/06-04-085-18W6/00	4	stripper
100/14-07-085-18W6/00	4	stripper
100/14-02-085-19W6/00	3	low
100/16-04-085-18W6/00	3	low
100/01-16-085-19W6/00	3	low
100/13/10-085-19W6/00	3	low
100/06-11-085-19W6/00	3	low
100/16-35-084-18W6/00	4	stripper

Schedule B: Testing Oil rate, Frequency, Time between tests, Duration

Class	Minimum Test Frequency	Minimum Time Between Tests	Minimum Test Duration
Low	1 per month	15 days	22 hours
Stripper	1 per quarter	45 days	22 hours