

April 28, 2017

3445-6200-32640-60

Lynn Wood, P.Eng
Exploitation Engineer – BC South
Canadian Natural Resources Ltd.
Suite 2500, 885 – 2nd Street SW
Calgary, Alberta, T2P 4J8

Dear Ms. Wood,

**RE: OBSERVATION WELL STATUS APPROVAL
CNRL ET AL EAGLE 16-5-85-18 (WA 4637)
EAGLE WEST – BELLOY “A”**

The BC Oil and Gas Commission (Commission) is presently reviewing observation wells, to confirm the suitability of this status and amend or rescind approvals, to conform to current requirements. Staff have reviewed the observation well in the Eagle West field, Belloy “A” pool; CNRL et al Eagle 16-5-85-18 (WA 4637).

The Drilling and Production Regulation Part 1 defines an observation well as “a well or a portion of a well designated as an observation well under section 2 (7)”.

- 2 (7) An official may designate a well as an observation well if
- (a) the well is being used to monitor reservoir pressures or to obtain other formation information, and
 - (b) the well is not used to produce from, or inject or dispose of fluids into, a formation being monitored.

The subject well was drilled in 1979 and the Belloy formation was completed for the purpose of oil production; producing from 1979 to 1981. The well was converted to water injection in 1981 and injected into the formation from 1981 until 2005. The status of the Belloy completion event was updated to observation in August 2011.

Approval of observation status is granted for CNRL et al Eagle 16-5-85-18 (WA 4637), for the Belloy “A” pool, with the following requirements;

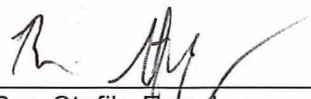
- conduct a reservoir pressure test annually.

Failure to meet this condition will result in removal of the observation well designation.

Please be reminded that the Eagle West – Belloy “A” pool is subject to the annual pressure testing requirements outlined in Section 73 of the Drilling and Production Regulation. All reservoir pressure tests conducted must be submitted to the Commission within sixty days after the date on which the pressure was measured.

Should you have any questions, please contact Kathryn Archibald at (250) 419-4457 or the undersigned at (250) 419-4430.

Sincerely,



Ron Stefik, Eng. L.
Supervisor, Reservoir Engineering
Oil and Gas Commission