

May 5, 2017

6230-4805-32640-60

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 DESIGNATION WITHDRAWAL
CNRL ET AL MUSKRAT 7-13-87-18 (WA 9401)
MUSKRAT – LOWER HALFWAY “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 Muskrat field, Lower Halfway “A” pool; CNRL et al Muskrat 7-13-87-18 (WA 9401).

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 1995 and the Lower Halfway formation was completed for the purpose of oil production, producing from 1995 to 2009. The status of the Lower Halfway completion event was changed to observation in August 2011. The most recent reservoir pressure test conducted on the subject well is dated November 2013. The last production reported from the Muskrat – Lower Halfway “A” pool is January 2015.

The requirement to use the subject well to monitor reservoir pressures or to obtain other formation information is no longer being met. The observation well designation for CNRL et al Muskrat 7-13-87-18 (WA 9401), will be withdrawn as of June 2, 2017, and the status will revert to active oil production unless a valid reason for designation is provided to this office prior to that date.

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