

May 5, 2017

6230-4535-32640-60

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 – PRESSURE TESTING REQUIRED
CNRL ET AL MUSKRAT 5-14-87-18 (WA 9419)
MUSKRAT – BOUNDARY LAKE “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, Boundary Lake “A” pool; CNRL et al Muskrat 5-14-87-18 (WA 9419).

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 Halfway formation was completed for the purpose of oil production, producing from 1995 to 2007. Observation designation was approved for the Halfway formation on May 14, 2014. The approval is conditional on meeting the requirement to conduct an annual reservoir pressure test. The most recent test on file for the well is dated July 2015.

The Commission expects a 2017 reservoir pressure test be conducted. Failure to meet the requirement to conduct an annual reservoir pressure test will result in the removal of the observation well designation. All reservoir pressure tests conducted must be submitted to the Commission within 60 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