



April 12, 2018

8100-4800-59240-16

Cassandra Lai, P. Eng
BC North Exploitation Manager
Canadian Natural Resources Ltd.
2500, 855 – 2nd St. S.W.
Calgary, AB T2P 4J8

Dear Ms Lai:

RE: ACID GAS DISPOSAL PROJECT APPROVALS 98-16-002 AND 98-16-003
STODDART WEST FIELD – HALFWAY FORMATION

Oil and Gas Commission (Commission) staff have reviewed the operations data and Progress Reports dated December 1, 2017 for the Stoddart West wells related to the Halfway acid gas disposal project. Acid gas disposal into the Halfway formation began in December 1998 and has operated effectively for 19 years. However, the permissible reservoir storage capacity has been reached, requiring cessation of disposal operation into the Halfway formation.

Progress Reports for 2017 are due for the each of Stoddart West Halfway projects. Based on the current understanding of the Commission, the following work is required for the wells associated with the projects.

Acid Gas Disposal well CNRL W Stoddart 07-34-087-2; WA11398 will be converted to a backup disposal well. Requires:

- Stabilized reservoir pressure test
- High risk suspension
- BC-11 to change status

Acid Gas Disposal well CNRL W Stoddart 01-33-087-21; WA9887 will be abandoned. Before abandonment requires:

- Stabilized reservoir pressure test
- Level A Abandonment
- BC-11 to change status

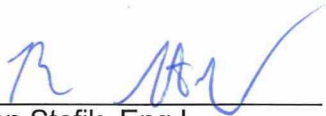
Observation well CNRL et al W Stoddart 01-32-087-21; WA11277 will be abandoned. Before abandonment requires:

- Gas sample and analysis submission
- Stabilized reservoir pressure test
- Level A Abandonment

The Commission requests a timeline for the obligations listed above. Please submit your plan before May 31, 2018.

Should you have any concerns or comments, please contact Michelle Gaucher at 250-419-4482 or the undersigned at least one business day prior to the proposed termination date.

Sincerely,



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