

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 DESIGNATION WITHDRAWAL
CNRL ET AL HZ MUSKRAT A14-12-87-18 (WA 11914)
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 HZ Muskrat A14-12-87-18 (WA 11914).

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 1999 and the Boundary Lake formation was completed for the purpose of oil production, producing from 2000 to 2014. The status of the Boundary Lake completion event was updated to observation in October 2014. The most recent reservoir pressure test conducted on the subject well is dated June 2011.

A formal application for observation well designation for the subject well was not received by the Commission. The requirement to use the subject well to monitor reservoir pressures or to obtain other formation information is not being met. The observation well designation for CNRL et al HZ Muskrat A14-12-87-18, will be withdrawn as of June 2, 2017, and the status will revert to active oil production unless a valid reason for designation is provided to this office prior to that date.

Please be reminded that the Muskrat – Boundary Lake “A” pool is subject to the annual reservoir 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 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