



September 28, 2016

6800-4800-59240-07

Jeff Karr, E.I.T.
Exploitation Engineer
Canadian Natural Resources Ltd.
2500, 855- 2nd Street S.W.
Calgary AB, T2P 4J8

Dear Mr. Karr,

**RE: CONCURRENT PRODUCTION SPECIAL PROJECT
PEEJAY FIELD - HALFWAY "W" POOL**

The Commission has reviewed the application from Canadian Natural Resources Ltd. (CNRL), dated June 6, 2016, requesting a Concurrent Production project approval, to remove the daily oil allowable (DOA) for the subject pool. The Peejay field – Halfway "W" is a single well pool, commencing production from well CNRL et al Peejay d-A3-I/94-A-15 (WA# 17522) in April 2004. Limited pool size and the absence of a waterdrive limit opportunity for a secondary recovery scheme. The producing gas-oil ratio (GOR) has increased from the initial value but remained relatively stable in recent years. Primary production has provided good reserves recovery to date, with pressure now decreased to about 45 percent of the initial value.

Continued economic production will allow sustained reserves recovery. Attached is Order 16-07-001 designating Concurrent Production for the Peejay field – Halfway "W" pool as a Special Project under section 75 of the *Oil and Gas Activities Act*. The project DOA is waived. However a project daily gas limit (DGL) of 8.0 e³m³/d, calculated based on the average operating GOR from the previous six months, will ensure reservoir energy is depleted in a matter to provide continued benefit to oil recovery. Produced gas will continue to be conserved.

Should you have any questions, please contact Petra Kriescher-Trudgeon at (250) 419-4415 or the undersigned at (250) 419-4430.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Stefik', is written over a horizontal line.

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

Attachment

IN THE MATTER of an application from Canadian Natural Resources Ltd. to the Commission dated June 6, 2016 for Concurrent Production approval.

ORDER 16-07-001

1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Peejay field – Halfway 'W' formation is designated as a special project for recovery of petroleum and natural gas utilizing Concurrent Production within the following area;

NTS 94-A-15 Block I – Unit 3.

2 Under section 75(2) of the *Oil and Gas Activities Act*, I specify the following:

a) The project daily oil allowable is waived.

b) The project daily gas limit is $8.0 \text{ e}^3\text{m}^3$.

c) All produced gas must be conserved.

d) This approval may be modified or rescinded at a later date if deemed appropriate.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 26th day of September 2016.