7750-2800/2850-32640-02



March 28, 2019

Mr. Stephen Penner, P.L.(Eng) Canadian Natural Resources Ltd. Suite 2100, 855 – 2nd Street SW Calgary, AB T2P 4J8

Dear Mr. Penner:

RE: WATER SOURCE AND PRODUCED WATER DISPOSAL WELL, AMENDMENT #1 SPECIAL PROJECT CANCELLATION CNRL SEPTIMUS A7-5-82-19 W6M; WA# 22061 SEPTIMUS FIELD - CADOMIN AND NIKANASSIN FORMATIONS

On December 22, 2017, the Commission notified Canadian Natural Resources Limited (CNRL) of concerns regarding potential induced seismicity resulting from operations at the subject well and the intention to terminate Order 13-02-004, Amendment #1. The last reported disposal use is dated March 2018.

A number of seismic events have been recorded in the area of the subject well. Further disposal into the well may result in triggering additional events with the potential associated loss of wellbore integrity and fluid containment.

Pursuant to the *Oil and Gas Activities Act (OGAA)* section 75(2)(b), the Commission may cancel, suspend or amend a designation (iii) if the Commission considers that the designation is spent, or (iv) if the Commission considers that the designation is no longer appropriate, including, without limitation, for reasons of (a) public safety, (b) protection of the environment, or (c) conservation of petroleum and natural gas resources.

Order 13-02-044, Amendment #1, designating an area in the Septimus field – Cadomin and Nikanassin formations as a Special Project under section 75 of OGAA for use as a storage reservoir for the disposal of produced water and well stimulation flowback fluid is hereby cancelled. In accordance with Section 75(2)(b)(iv) of OGAA, the Commission considers that the designation is no longer appropriate for reasons of (a) public safety and (b) the protection of the environment.

Should you have any questions, please contact Kathryn Archibald at (250) 419-4406 or the undersigned at (250) 419-4430.

Sincerely,

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

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