



August 24, 2007

6800-2700/4800-59070-20

Dan Piche
Exploitation EIT
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street SW
CALGARY AB T2P 4J8

Dear Mr. Piche:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
CNRL PEEJAY d-A7-1/94-A-15; WA# 8627**

The Commission has reviewed your application dated July 24, 2007 requesting permission to commingle production from the Gething and Halfway zones encountered in the subject well.

The Commission designates gas pool under the application to be completed in the Peejay – Gething “B” gas and Halfway “B” gas cap.

The Gething in the subject well was produced through annulus during 1997 to 1999 period and has produced $5.5 \times 10^6 \text{ m}^3$ and is currently capable of producing at $2.0 \times 10^3 \text{ m}^3/\text{d}$. The Halfway is located within a Concurrent Production scheme Approval 98-07-006 (Amendment #1) area granted to CNRL for the Halfway “B” gas cap production. The Halfway zone was produced through the tubing during 1999 to 2006 period and has produced $46.6 \times 10^6 \text{ m}^3$ and is currently capable of producing at $7.0 \times 10^3 \text{ m}^3/\text{d}$. Commingling approval was granted for the two zones in the offsetting well d-8-1/94-A-15 (WA 2946) on March 6, 2007. Accordingly, commingling is considered appropriate as production through the tubing is expected to result in maximization of resource recovery and extend the economic life of this well. All wells in both pools are operated by CNRL.

We wish to advise you that your application to commingle production is hereby approved, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Gething (1006.0–1018.0 mKB) and Halfway (1159.0–1160.0 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Gething 55 % and Halfway 45 %.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

Richard Slocomb, P.Eng.
Supervising Reservoir Engineer

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca