



**BRITISH  
COLUMBIA**  
May 8, 1997

2400-4805-59240-06  
970468

Ms. Joan Jackson  
Exploitation Technician  
Canadian Natural Resources Limited  
2000, 425 - 1st St. SW  
Calgary, AB T2P 3L8

*CNRL Project (10)  
Amendment #1*

Dear Ms. Jackson:

**RE: APPLICATION FOR CONCURRENT PRODUCTION UNDER  
GOOD ENGINEERING PRACTICE  
BUICK CREEK LOWER HALFWAY "J" POOL**

Attached is a Concurrent Production Approval under Good Engineering Practice (GEP) for the subject pool, as requested in your application dated March 3, 1997.

The Approval 96-07-003 (Amendment #1) is hereby granted under section 97 of the Petroleum and Natural Gas Act. This approval is intended to allow operational flexibility in order to maximize oil recovery. There are no equity issues at this time, however the approval conditions may be modified if oil wells outside the project area are completed in the subject pool by another operator.

It should be noted that as concurrent production scheme under GEP, all produced gas will be classified as non-conservation for Crown royalty calculation.

An application, dated March 3, 1997, requested a waiver of cumulative overproduction for the well d-28-I/94-A-11, located in this pool. The oil overproduction and associated high volumes of sour gas flared are viewed by the branch as very serious breaches of conservation measures. As gas conservation began April 24, 1997, the requirement to retire past overproduction is hereby waived.

Yours sincerely,

B. van Oort, P. Eng.  
Director  
Engineering and Operations Branch

RS/mef

Attachment

Copies for Approval Letter to Industry (11)  
RE: GEP, Salt Water Disposals, etc.

|                                     |                       |
|-------------------------------------|-----------------------|
| <input type="checkbox"/>            | G. Miltenberger       |
| <input type="checkbox"/>            | Data Management       |
| <input checked="" type="checkbox"/> | R. Stefik             |
| <input type="checkbox"/>            | D. Richardson         |
| <input type="checkbox"/>            | P. Attariwala         |
| <input type="checkbox"/>            | G. Farr               |
| <input type="checkbox"/>            | S. Chicorelli         |
| <input type="checkbox"/>            | Resource Revenue      |
| <input type="checkbox"/>            | 59240                 |
| <input type="checkbox"/>            | Wellfiles (originals) |
| <input type="checkbox"/>            | Daily                 |

APPROVAL 96-07-003 (AMENDMENT #1)

THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
MINISTRY OF EMPLOYMENT AND INVESTMENT  
ENERGY AND MINERALS DIVISION

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IN THE MATTER of a Concurrent Production scheme under Good Engineering Practice (GEP) of Canadian Natural Resources Limited (CNRL) for producing the Buick Creek Lower Halfway "J" oil pool without spacing and target restrictions, and without a project oil allowable.

NOW, THEREFORE, the Division Head, pursuant to section 97 of the Petroleum and Natural Gas Act, hereby approves a Concurrent Production scheme under GEP of CNRL for drilling horizontal wells without spacing and target restrictions and for concurrent production of oil and gas without an oil allowable, as such scheme is described in:

*an Application from CNRL to the Division dated January 2, 1997, and related submission.*

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of fractional units 17, 18 and units 27, 28 and 38 of Block I /94-A-11.
2. The daily oil allowable is waived.
3. Gas production from the project will be limited to  $133.8 \times 10^3 \text{ m}^3/\text{d}$ .
4. Any well exceeding a GOR of  $1200 \text{ m}^3/\text{m}^3$  must be shut-in.
5. All gas production will be conserved.
6. The requirements of section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
7. Royalty free oil production from the discovery well c-28-I/94-A-11 (WA 9412, DE 00) is limited to a total volume of  $82,058.2 \text{ m}^3$ , or the volume produced in the first 36 producing months, whichever is lesser.
8. This approval may be modified or rescinded at a later date if deemed appropriate.

  
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Bou van Oort, on behalf  
of the Division Head  
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 8<sup>th</sup> day of May, 1997.