

August 9, 1996

Mr. Steve Dalman **Exploitation Engineer** Canadian Natural Resources Limited 2000-425 1st St. SW Calgary AB T2P 3L8

Dear Mr. Dalman:

Copies for Approval Letters to Industry (10) D.L. Johnson Resource Revenue P.S. Attariwala R.G. Stefik G. Farr D. Richardson S. Chicorelli Daily Well File 59070-04

960773 2400-4805-59240-06

CNRL PROJ (05)

GOOD ENGINEERING PRACTICE AMENDMENT RE: BUICK CREEK LOWER HALFWAY "C" POOL

Attached is an amendment to the Good Engineering Practice (GEP) scheme approval for the subject pool as requested in your application of March 22, 1996.

The Approval 94-06-005 (AMENDMENT #3) is hereby granted under Part 8, Division 6, section 104 of the British Columbia Drilling and Production Regulation.

This approval is intended to allow operational flexibility in order to maximize oil recovery.

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

Yours sincerely,

Bóu van Oort, P. Eng.

Director

Engineering and Operations Branch

Attachment

APPROVAL 94-06-005 (AMENDMENT #3)

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

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

NOW, THEREFORE, the Division Head, pursuant to Part 8, Division 6, section 104 of the *Drilling and Production Regulation*, hereby approves an amendment to the GEP project 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 March 22, 1996 and related submission.

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

- 1. The area of the scheme shall consist of units 74 78, 84 88, 94 98 of Block I/94-A-11 and units 4 8, 14 17, 24 27 of Block A/94-A-14.
- 2. The requirements of section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not nearer than 100 m to the sides of the approved area.
- 3. The daily oil allowable is waived.
- 4. Gas production from the project will be limited to 426 10³ m³/d.
- 5. Any well exceeding a GOR of 1200 m³/m³ must be shut-in.
- 6. All gas production will be conserved.
- 7. This approval may be modified or rescinded at a later date if deemed appropriate.

B. 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 day of August 1996.