



**BRITISH
COLUMBIA**
August 9, 1996

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

960774
2400-4805-59240-06

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

Dear Mr. Dalman:

CNRL PROJ (07)

**RE: GOOD ENGINEERING PRACTICE AMENDMENT
BUICK CREEK LOWER HALFWAY "D" 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 95-06-005 (AMENDMENT #4) 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,

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

Attachment

APPROVAL 95-06-005 (AMENDMENT #4)

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

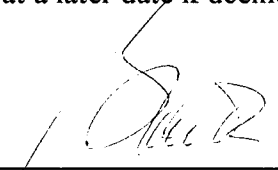
IN THE MATTER of a Good Engineering Practice (GEP) project of Canadian Natural Resources Limited (CNRL) for producing the Buick Creek Lower Halfway "D" oil pool without spacing and target restrictions and without a project oil allowable.

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 project shall consist of units 92 - 94 of Block I/94-A-11 and units 2 - 5, 12-15, 22 - 25, 32 - 35, and 42 - 45 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 $284 \times 10^3 \text{ m}^3/\text{d}$.
5. Any well exceeding a GOR of $1200 \text{ m}^3/\text{m}^3$ must be shut-in.
6. All gas production will be conserved.
7. Royalty free oil production from the discovery well d-35-A/94-A-14 (WA 7679) is limited to a total volume of $28,492 \text{ m}^3$ 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.



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 9th day of August, 1996.