

January 14, 2008 7750-5000-59240-06

Rod McDougall, P.Eng. Exploitation Engineer Canadian Natural Resources Ltd. 2500, 855 – 2nd Street S.W. Calgary AB T2P 4J8

Dear Mr. McDougall:

RE: GOOD ENGINEERING PRACTICE APPROVAL SEPTIMUS – MONTNEY "A" POOL

Commission staff have reviewed the application, dated December 3, 2007, requesting Good Engineering Practice (GEP) scheme approval for producing gas from the Montney formation in the Septimus area.

Geological review of the area of application has resulted in OGC mapping of the Septimus field – Montney "A" pool.

Attached is Approval 08-06-001, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the drilling and production of gas wells in the GEP area without regard for spacing and target restrictions for maximization of gas recovery.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

Richard Slocomb, P.Eng.

Supervisor, Reservoir Engineering

Resource Conservation

Attachment

APPROVAL 08-06-001

THE PROVINCE OF BRITISH COLUMBIA PETROLEUM AND NATURAL GAS ACT DRILLING AND PRODUCTION REGULATION OIL AND GAS COMMISSION

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Canadian Natural Resources Limited (CNRL) for producing the Septimus – Montney "A" pool without spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of CNRL as such scheme is described in

an Application from CNRL to the Commission dated December 3, 2007, and related submissions.

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

1. The area of the scheme shall consist of;

Twp 81 Rge 19 W6M – Sect 31, 32 Twp 82 Rge 19 W6M – Sect 4, 5, 8 and 9.

- 2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
- 3. The gas wells within the project area may be produced without individual well allowable restrictions.
- 4. This approval may be modified or rescinded at a later date if deemed appropriate.

Richard Slocomb

Supervisor, Reservoir Engineering

Resource Conservation

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 14th day of January 2008.