

August 28, 2017

8100-5000-21900-15

Kelly Okuszko, P.Eng.
Exploitation Engineer
Canadian Natural Resources Ltd.
Suite 2500, 855 – 2 Street SW
Calgary, AB T2P 4J8

Dear Ms. Okuszko:

**RE: OTHER THAN NORMAL SPACING ORDER
PROPOSED WELL LOCATION 16-15-86-21
STODDART WEST FIELD – MONTNEY FORMATION**

BC Oil and Gas Commission (Commission) staff have reviewed the application, dated August 17, 2017, from Canadian Natural Resources Ltd. (CNRL) requesting approval of Other Than Normal Spacing (OTNS) for a proposed gas well in the Stoddart West Field, Montney Formation.

The area of application currently contains no producing Montney wells and is located approximately 3 km east of the currently mapped Northern Montney regional field. The proposed well will be horizontal with the surface at 16-15-86-21 and bottom hole at 16-27-86-21. CNRL intends to drill the well in Q3 of 2018. OTNS will allow placement and completion of the well for effective gas recovery.

Attached is Order 17-15-002 approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

Production from additional Montney wells within the designated OTNS area would require either Good Engineering Practice approval under Section 75 of the Oil and Gas Activities Act or inclusion within an unconventional pool listed within Schedule 2 of the Drilling and Production Regulation.

Should you have any questions, please contact Kathryn Archibald at (250) 419-4457 or the undersigned at (250) 419-4430.

Sincerely,



Ron Stefik, EngL
Supervisor, Reservoir Engineering
Oil and Gas Commission

Attachment

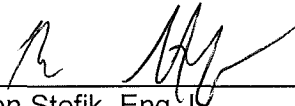
IN THE MATTER of Other Than Normal Spacing within the Stoddart West field – Montney formation as described in the application from Canadian Natural Resources Limited to the Commission dated August 17, 2017.

ORDER 17-15-002

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing for gas within the Buick Creek field – Montney formation is hereby approved within the following area;

Twp 86 Rge 21 W6M Section 22 & 27

- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:
 - a) the target area for a gas well completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area,
 - b) a gas well completed outside the specified target area may be subject to an off-target production penalty.



Ron Stefik, Eng. L.
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 28th day of August 2017.