

January 10, 2013

1260-4100-59240-09

Jason Smith, P. Eng.
Exploitation Engineer
Canadian Natural Resources Limited
2500, 855 2nd Street SW
Calgary, AB T2P 4J8

Dear Mr. Smith:

**RE: WATERFLOOD PRESSURE MAINTENANCE ORDER 09-09-002, AMENDMENT #2
BIRCH FIELD – BALDONNEL 'C' POOL**

The Commission has reviewed your application, dated December 6, 2012, to amend the pressure maintenance waterflood order for the subject pool. The Commission concurs that the proposed project provides opportunity for enhanced recovery from this partially depleted oil pool as well as additional capacity for re-injection of Baldonnel 'C' produced water.

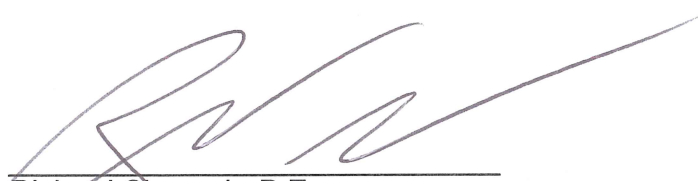
Attached is Order 09-09-002 Amendment #2 designating Pressure Maintenance Waterflood for the Birch field - Baldonnel 'C' pool as a Special Project under section 75 of the *Oil and Gas Activities Act*.

This amendment adds two additional injection wells, d-98-H & d-18-H/94-A-13 to the project. The project area remains unchanged.

Please note that, as per section 75 of the *Drilling and Production Regulation*, a record of the volume of water injected must be reported on a Monthly Injection or Disposal Statement (BC-S18), submitted to the Commission no later than the 25th day of the following month. The operation of the pressure maintenance waterflood project will be subject to periodic review and the Commission may modify the Order, if deemed appropriate.

Should you have any questions, please contact Curtis Kitchen at (250) 419-4443 or Ron Stefik at (250) 419-4430.

Sincerely,



Richard Slocomb, P.Eng.
Deputy Commissioner, Engineering
Oil and Gas Commission

Attachments