

March 23, 2009

6000-4800-59240-09

Mr. Davin Yee, P.Eng.  
Exploitation Engineer  
Canadian Natural Resources Limited  
2500, 855 – 2 Street SW  
Calgary, AB T2P 4J8

Dear Mr. Yee:

**RE: APPLICATION TO AMEND WATERFLOOD APPROVAL  
MILLIGAN CREEK – HALFWAY “A” UNIT #2**

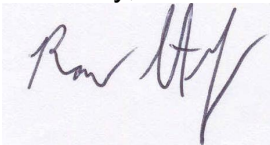
Commission staff have reviewed your application, dated January 5, 2009 requesting approval to convert the well **CNRL et al Milligan b-75-G/94-H-2 (WA #2721)** to water injection service.

We concur that conversion of this suspended well to water injection service should provide pressure support to the producing wells, resulting in improved oil recovery from the Unit. The planned reservoir pressure test data and increased voidage replacement constitute prudent resource management.

Attached is Approval # 73-09-001 (Amendment #3) for the application, granted under Section 100 of the Petroleum and Natural Gas Act. This approval includes the proposed well b-75-G as an injection location, all other conditions remain unchanged.

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

Sincerely,



Richard Slocomb, P.Eng.  
Supervisor, Reservoir Engineering  
Resource Conservation

**APPROVAL 73-09-001 (Amendment #3)**

**THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
OIL AND GAS COMMISSION**

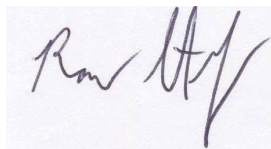
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IN THE MATTER of a pressure maintenance scheme of Canadian Natural Resources Limited (CNRL) for waterflood recovery of oil by water injection into the Milligan Creek field Halfway "A" pool Unit #2.

The approval granted pursuant to Section 100 of the Petroleum and Natural Gas Act is hereby amended as follows:

The pressure maintenance scheme of CNRL for waterflood recovery of oil from the Milligan Creek – Halfway "A" Unit #2 as originally approved dated May 22, 1973 and last amended March 18, 1991 is hereby amended, subject to the terms herein contained:

1. The Unit #2 area of the pressure maintenance scheme consists of:  
94-H-2 Block G - Units 55, 65, 75, 76, 85, 86.
2. The project daily oil allowable is 124.0 m<sup>3</sup>.
3. An oil well may be drilled anywhere within the scheme area provided that it is not nearer than 100 m to the sides of the area.
4. Water may be injected into the Milligan Creek Halfway "A" Unit #2 through the wells located at b-54-G, d-54-G, d-55-G, b-65-G and b-75-G/94-H-2.
5. The injection pressure measured at the sandface must not exceed the formation fracture pressure.
6. All associated gas must be conserved.
7. The operations of the pressure maintenance scheme shall be subject to periodic review and modification to the approval may be ordered, if deemed appropriate.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 23<sup>rd</sup> day of March, 2009.