

March 16, 2020

6800-4800-59240-09

Brittany Jorgensen, P.Eng. Exploitation Engineer Canadian Natural Resources Limited 2500, 855 – 2nd St SW Calgary, AB T2P 4J8

Dear Ms. Jorgensen:

RE: PRESSURE MAINTENANCE WATERFLOOD CANCELLATION PEEJAY FIELD – HALFWAY FORMATION – CNRL PROJECT

The Commission is presently reviewing and amending waterflood approvals to conform to current requirements. The waterflood project in the Peejay field, Halfway formation, CNRL Project, approved on March 31, 1967, has been reviewed by Commission staff. Table 1 lists the completed wells in the subject project. Commission records for the project indicate that water injected ceased in February 2014. On March 2nd, 2020, Canadian Natural Resources Limited indicated to the Commission via email agreement to cancel the pressure maintenance waterflood approval for the subject project, and intention to apply to expand the adjacent pressure maintenance waterflood project, Approval Order 67-09-001 for CNRL Unit #3, to include the area and wells of the subject pool.

Table 1 Wells in the Peejay field, Halfway formation, CNRL Project

| WA# | Well Name | Mode | Fluid | Operation | UWI |
|------|-------------------------------|------|-------|-----------|-------------------------|
| 1497 | CNRL PEEJAY D- 043-H/094-A-15 | ACT | OIL | PROD | 200/D-043-H 094-A-15/00 |
| 1632 | CNRL PEEJAY D- 041-H/094-A-15 | ACT | OIL | PROD | 200/D-041-H 094-A-15/00 |
| 1563 | CNRL PEEJAY D- 032-H/094-A-15 | SUSP | WATR | INJ | 200/D-032-H 094-A-15/00 |
| 1627 | CNRL PEEJAY D- 021-H/094-A-15 | SUSP | WATR | INJ | 200/D-021-H 094-A-15/00 |
| 2195 | CNRL PEEJAY B- 041-H/094-A-15 | SUSP | OIL | PROD | 200/B-041-H 094-A-15/00 |
| 7797 | CNRL PEEJAY B- 043-H/094-A-15 | SUSP | OIL | PROD | 200/B-043-H 094-A-15/00 |
| 1585 | CNRL PEEJAY D- 031-H/094-A-15 | COMP | UND | UND | 200/D-031-H 094-A-15/00 |
| 2093 | CNRL PEEJAY D- 022-H/094-A-15 | SUSP | GAS | PROD | 200/D-022-H 094-A-15/00 |
| 7829 | CNRL PEEJAY C- 050-E/094-A-16 | COMP | UND | UND | 200/C-050-E 094-A-16/00 |
| 1514 | CNRL PEEJAY D- 042-H/094-A-15 | ABAN | UND | UND | 200/D-042-H 094-A-15/00 |
| 1525 | CNRL PEEJAY D- 033-H/094-A-15 | ABAN | WATR | INJ | 200/D-033-H 094-A-15/00 |
| 2196 | CNRL PEEJAY B- 050-E/094-A-16 | ABAN | GAS | PROD | 200/B-050-E 094-A-16/00 |
| 2280 | CNRL PEEJAY B- 042-H/094-A-15 | ABAN | UND | UND | 200/B-042-H 094-A-15/00 |

The pressure maintenance waterflood project approval # 67-09-002 for the Peejay field, Halfway formation, CNRL Project, is hereby cancelled.

Please contact Logan Gray at (250) 419-4465 or the undersigned at (250) 419-4430 should you have any questions.

Sincerely,

Ron Stefik, Engl

Supervisor, Reservoir Engineering

Oil and Gas Commission