

April 12, 2017

2200-4100-32640-60

Florin Hategan, P.Eng
Exploitation Engineer
Canadian Natural Resources Ltd.
Suite 2500, 885 – 2nd Street SW
Calgary, Alberta, T2P 4J8

Dear Mr. Hategan,

**RE: OBSERVATION WELL DESIGNATION WITHDRAWAL
CNRL BUBBLES c-77-I/94-G-1 (WA 14239)
BUBBLES – BALDONNEL “A”**

The BC Oil and Gas Commission (Commission) is presently reviewing observation wells, to confirm the suitability of this status and amend or rescind approvals, to conform to current requirements. Staff have reviewed the observation well in the Bubbles field, Baldonnel “A” pool; CNRL Bubbles c-77-I/94-G-1 (WA 14239).

The Drilling and Production Regulation Part 1 defines an observation well as “a well or a portion of a well designated as an observation well under section 2 (7)”.

- 2 (7) An official may designate a well as an observation well if
- (a) the well is being used to monitor reservoir pressures or to obtain other formation information, and
 - (b) the well is not used to produce from, or inject or dispose of fluids into, a formation being monitored.

The subject well was drilled in 2001 and the Baldonnel formation was completed but did not produce. The status of the Baldonnel formation completion event was changed to observation in July 2011. The last reported production from the Bubbles field, Baldonnel “A” pool is from November 2013. The most recent reservoir pressure test conducted on the subject well is dated October 2013.

The requirement to use the subject well to monitor reservoir pressures or to obtain other formation information is no longer being met. The observation well designation for WA 14239, CNRL Bubbles c-77-I/94-G-1, will be withdrawn as of May 15, 2017, and the status will update to suspended gas observation unless a valid reason for designation is provided to this office prior to that date.

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

Sincerely,



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