



April 14, 2008

0800-2600/4800-59070-20

Marcus Schlegel
Production Engineer
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street SW
CALGARY AB T2P 4J8

Dear Mr. Schlegel:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
CNRL BEG d-81-J/094-B-16; WA# 16322**

The Commission has reviewed your application dated March 11, 2007 requesting permission to commingle production from the Bluesky and Halfway zones encountered in the subject well.

The Commission has designated these pools as the Beg – Bluesky “A” and Halfway “A” gas pools. The Bluesky “A” pool contains 3 other producing wells and the Halfway “A” pool contains numerous producing wells and has been granted reduced well spacing under a Good Engineering Practice (GEP) approval.

The Bluesky in the subject well has been produced since December 2003. The Bluesky zone has produced $174.2 \times 10^6 \text{m}^3$ and is currently producing at $60 \times 10^3 \text{m}^3/\text{d}$. The Halfway zone was perforated and fracture stimulated with gas rates of $25.5 \times 10^3 \text{m}^3/\text{d}$. Commingling of these two zones is considered premature and without technical merit at this time as both zones are capable of economic production.

Furthermore, during a review of this commingling application it was noted that two wells, (WA 5428) CNRL et al Beg b-90-I/94-B-16 and (WA 16322) CNRL Beg d-81-J/94-B-16, have been producing within the same gas spacing area without a GEP approval. The well b-90-I started producing from the Bluesky zone in November 1984, has produced $55.4 \times 10^6 \text{m}^3$ and is currently producing at $2.6 \times 10^3 \text{m}^3/\text{d}$. The well d-81-J started producing from the Bluesky in December 2003. Producing two wells in one gas spacing without a GEP approval is in contravention to Section 10 of the *Drilling and Production Regulation*. Accordingly, CNRL must shut-in one these wells immediately, with the status of the non-producing well changed to either suspended or observation via submission of the form BC-11 “Notice of Commencement or Suspension of Production”. This was indicated to you in a telephone message from this office on April 8, 2008.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Ron Stefik at (250) 952-0310.

Sincerely,

Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering

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