



January 13, 2009

3430-2400/8240-4610-59070-20

Magued Wilson
Exploitation Engineer
Canadian Natural Resources Limited
2500, 855 – 2 Street SW
CALGARY AB T2P 4J8

Dear Mr. Wilson:

**RE: COMMINGLED PRODUCTION APPROVAL
CNRL VELMA c-94-L/94-H-1; WA# 9811**

Commission staff have reviewed your application dated November 4, 2008 requesting permission to commingle production from the Notikewin and Halfway zones producing in the subject well.

The Commission has designated these pools as the Drake field Notikewin “A” and Velma field A Marker “B” gas pools. The Notikewin “A” pool is a large multi-well pool, the A Marker “B” is produced from two wells.

The subject well has produced from the A Marker since January 1997, currently at $1.5 \times 10^3 \text{ m}^3/\text{d}$ with 70% pressure depletion following production of $55 \times 10^6 \text{ m}^3$. The Notikewin has produced since March 2002, currently at $3.2 \times 10^3 \text{ m}^3/\text{d}$ with 30% pressure depletion at $17.7 \times 10^6 \text{ m}^3$ cumulative.

Commingled production through a single production string is expected to maximize production and reserve recovery from both zones and mitigate liquid loading issues. Current reservoir pressures are similar for the two pools, both produce sweet gas.

Your application to commingle production is hereby approved, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Notikewin (765.0 – 770.5 mKB) and A Marker (1046.0 – 1049.0 mKB) zones may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1, BC S-2 and BC-08 forms on the basis of Notikewin 60% and A Marker 40%.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

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

Sincerely,

Ron Stefik, ASCT
Sr Reservoir Engineering Technologist

RESOURCE CONSERVATION

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