



August 30, 2006

6140-4580/4800-59070-20

Rod McDougall, P. Eng.
Exploitation Engineer
Canadian Natural Resources Limited
Suite 2500, 855 – 2 Street SW
CALGARY AB T2P 4J8

Dear Mr. McDougall:

**RE: APPLICATION FOR COMMINGLED PRODUCTION
CNRL ET AL MONIAS 15-15-82-21 W6M; WA# 19303**

The Commission has reviewed your application dated July 10, 2006 requesting permission to commingle production from the North Pine and Halfway zones encountered in the subject well.

The Commission has designated these pools as the Monias – North Pine “C” and Halfway “A” gas pools. The North Pine is a single well pool that has been on production through the annulus since November 2005. The North Pine has produced $0.5 \times 10^6 \text{ m}^3$ and is currently producing at $0.4 \times 10^3 \text{ m}^3/\text{d}$. The Halfway is part of a multi-well pool which is in an advanced state of depletion. The Halfway in the subject well has been on production since November 2005 and has produced $2.5 \times 10^6 \text{ m}^3$ and is currently capable of producing at $10.0 \times 10^3 \text{ m}^3/\text{d}$. The North Pine zone has been experiencing difficulty lifting produced water. Commingled production through the production tubing is expected to lift the water thereby extending the economic life of this well. Both zones are sour. Reservoir pressures for these two zones are expected to be dissimilar; however CNRL has installed a sliding sleeve which will enable segregation for the duration of any extended shut-in period.

We wish to advise you that 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 North Pine (1281.0–1282.0 mKB) and Halfway (1400.8–1437.7 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 and BC S-2 forms on the basis of North Pine 10% and Halfway 90%. The allocation factors may be amended to reflect results of any future tests.
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) 952-0366.

Sincerely,

Richard Slocomb, P.Eng.
Supervising Reservoir Engineer
Resource Conservation Branch

RESOURCE CONSERVATION BRANCH

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