

July 20, 2012

7750-2800-32640-02

Rod McDougal, P.Eng
Canadian Natural Resources Limited
Suite 2500, 855 - 2nd Street SW
Calgary AB, T2P 4J8

Dear Mr. McDougal:

**RE: SALT WATER DISPOSAL SPECIAL PROJECT
CNRL HZ SEPTIMUS B2-8-82-19 W6M (WA 24196)
CADOMIN FORMATION**

Oil and Gas Commission (Commission) staff have reviewed the application, dated June 22, 2012, requesting approval to dispose of produced water and fracture flowback fluid into the Cadomin formation of the subject well. The Commission confirms that a maximum wellhead pressure of 18,000kPa is acceptable for this Salt Water Disposal well.

Attached please find **Order 12-02-020**, designating an area in the Septimus field – Cadomin formation a Special Project under section 75 of the Oil and Gas Activities Act, for use of a storage reservoir for the disposal of produced water and flowback from fracture operations generated from oil and gas operations, specifically, development of tight gas resources in the Montney formation.

Should you have any questions, please contact Curtis Kitchen at (250) 419-4443 or Ron Stefik at (250) 419-4430.

Sincerely,


Richard Slocomb, P.Eng
Deputy Commissioner
Oil and Gas Commission

Attachment

IN THE MATTER of the application from Canadian Natural Resources Limited, to the Oil and Gas Commission (Commission) dated June 22, 2012 for the operation and use of a storage reservoir.

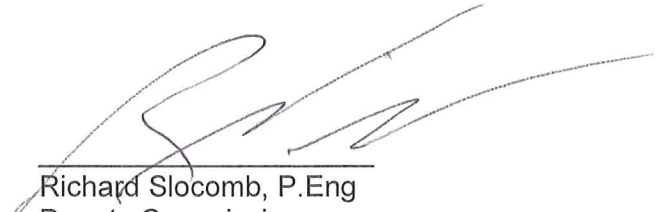
ORDER 12-02-020

- 1 Under Section 75(1)(d) of the *Oil and Gas Activities Act*, the Commission designates the operation and use of a storage reservoir for the disposal of produced salt water and flowback from fracturing operations into the Cadomin formation – Septimus field as a special project in the following area:

DLS 13-8-82-19W6

- 2 Under section 75(2) of the *Oil and Gas Activities Act*, the special project designation in this Order is subject to the following conditions:

- a) Produced salt water, including flowback fluids, shall be injected only into the Cadomin formation through the well CNRL HZ Septimus B2-8-82-19 W6M (WA 24196).
- b) A record of volume disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form (BC-S18), which must be submitted to the Oil and Gas Commission not later than the 25th day of the month following the reported month.
- c) The disposal/injection pressure at the wellhead must not exceed 18,000 kPa.
- d) A BC11 form must be submitted to the Ministry of Finance to notify of commencement of operations and update the well status.



Richard Slocomb, P.Eng
Deputy Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of July 2012.