

December 8, 2010

7750-2800-32640-02

Rod McDougall, P.Eng. Canadian Natural Resources Ltd. 2500, 855 – 2nd Street S.W. Calgary AB T2P 4J8

Dear Mr. McDougall:

RE:

SALT WATER DISPOSAL SPECIAL PROJECT

CNRL SEPTIMUS G05-23-81-19W6M; Well Permit # 26299

SEPTIMUS FIELD - CADOMIN FORMATION

Commission staff have reviewed your application, dated September 24, 2010, requesting approval to dispose of produced water and completion/workover fluids from Montney fracture treatments into the Cadomin formation of the subject well.

Attached please find Order 10-02-008, designating an area in the Septimus field – Cadomin formation a Special Project under section 75 of the *Oil and Gas Activities Act*, for the operation and use of a storage reservoir for the disposal of salt water.

Please note that, as per section 75 of the Drilling and Production Regulation, a record of the volume of salt water disposed of through this well must be included on a Monthly Injection or Disposal Statement (BC-S18), which must be submitted to the Oil and Gas Commission no later than the 25th day of the month in which activity occurred. Also, the operation of the salt water disposal project will be subject to periodic review and the Commission may modify the Order, if deemed appropriate.

Should you have any questions, please contact Kelly Okuszko at (250) 419-4433 or Richard Slocomb at (250) 419-4421.

Sincerely,

Alex Ferguson Commissioner

Oil and Gas Commission

Attachment

IN THE MATTER of the application from Canadian Natural Resources Limited (CNRL) to the Commission dated October 6, 2010 for the operation and use of a storage reservoir.

ORDER 10-02-008

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 salt water or recovered fluids from a well completion or workover in the Septimus – Cadomin formation as a special project in the following area:

081-19-W6M - Section 23

- 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) Salt water shall be injected only into the Cadomin formation (1040.0 1059.0 mKB) through the well G05-23-081-19W6M (Well Permit # 26299).
 - b) The wellhead injection pressure must not exceed 13,000 kPag. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.
 - c) The Project shall be deemed to have commenced upon initiation of salt water injection into the well. The Supervisor, Reservoir Engineering, Resource Conservation, must be notified in writing within 72 hours of commencement of injection operations.

Alex Ferguson Commissioner

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this ℓ^o day of December 2010.