

OIL AND GAS COMMISSION

November 28, 2006

0320-2600-59240-06

Leonard Fabes Exploitation Engineer Candian Natural Resources Limited 2500, 855 – 2 Street S.W. Calgary AB T2P 4J8

Dear Mr. Fabes:

RE: GOOD ENGINEERING PRACTICE APPROVAL ALTARES - BLUESKY "B" POOL

Commission staff have reviewed your application, dated September 26, 2006, for Good Engineering Practice (GEP) scheme approval for a portion of the subject pool.

Attached is GEP Approval 06-06-068 hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*.

This approval is intended to allow production of gas wells without spacing and target considerations, for maximization of gas recovery.

Should you have any questions, please contact Richard Slocomb at (250) 952-0366.

Sincerely,

Doug McKenzie Director Resource Conservation Branch

Attachment

APPROVAL 06-06-068

THE PROVINCE OF BRITISH COLUMBIA <u>PETROLEUM AND NATURAL GAS ACT</u> DRILLING AND PRODUCTION REGULATION OIL AND GAS COMMISSION

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Canadian Natural Resources Ltd. (CNRL) for producing the Altares field Bluesky "B" gas pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of CNRL for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from CNRL to the Commission dated September 26, 2006.

This scheme is approved, subject to the conditions herein contained and, in particular:

- 1. The area of the project shall consist of:
 - 94-B-8: Block G units 32, 33, 42, 43, 51, 61 Block H – units 60 and 70.
- 2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
- 3. The gas wells within the project area may be produced without individual well allowable restrictions.
- 4. This approval may be modified or rescinded at a later date if deemed appropriate.

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Doug McKenzie Director Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this day of November 2006.