



January 7, 2009

5100-2700-59240-06

Michael Skipper, P.Eng.
Exploitation Engineer
Canadian Natural Resources Limited
Suite 2500, 855 – 2nd Street SW
Calgary AB T2P 4J8

Dear Mr. Skipper:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
JULIENNE CREEK - GETHING "B" POOL**

Commission staff have reviewed your application dated October 17, 2008 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Gething formation in the Julienne Creek area. This followed a meeting on this subject at our offices on October 14, 2008.

The OGC designates the area of application as overlapping a portion of the Julienne Creek field Gething "B" gas pool. The Commission issued a GEP approval to ProEx Energy Ltd on November 29, 2007 for a portion of this pool, to facilitate reduced well spacing for improved gas recovery. Existing wells have displayed considerable variability in production rates and expected ultimate recoveries, supporting this application. The Commission agrees that variation from normal well spacing and target areas is required to effectively drain this structurally controlled low permeability pool, however shares a concern regarding potential competitive over-development.

Attached is GEP scheme Approval 09-06-003, granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, for a portion of the subject pool. A notice of this application was posted to the OGC website, with no written objections received.

This approval is intended to allow the drilling and production of gas wells without regard to regulatory spacing and target area restrictions, for maximization of gas recovery. However, development locations should be located with regard to both gas recovery and avoidance of overlapping drainage areas, to avoid the necessity of the Commission imposing production allowable or well density conditions.

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

Sincerely,

Richard Slocomb P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachment

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 09-06-003

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

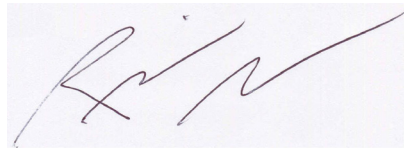
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Canadian Natural Resources Limited (CNRL) for producing a portion of the Julienne Creek field Gething "B" gas pool without well spacing and target restrictions.

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 October 17, 2008
and related submissions.*

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

1. The area of the project shall consist of:
 - 94-G-2 Block G – units 51, 61
 - Block H – units 16-19, 26-29, 38, 39, 48, 49, 58-60 and 68-70.
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.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 7th day of January 2009.