



June 30, 2005

Alberta Energy and Utilities Board  
 640-5<sup>th</sup> Avenue S.W.  
 Calgary, Alberta  
 T2P 3G4

**Attention: Keith Sadler**

**Re: Request to Shut-In Clearwater Gas Production in the Fisher & Moore Area's.**

Dear Mr. Sadler:

Canadian Natural Resources Limited (CNRL) requests that Clearwater gas production in the Fisher & Moore areas be shut-in as it has been determined to be negatively impacting future bitumen recovery and development.

CNRL has undertaken a 5-year investigation into Clearwater gas cap production and possible effects on bitumen recovery, including pressure monitoring wells, laboratory measurements, and numerical modeling. The findings of this study<sup>1</sup> overwhelmingly indicate that the gas is in pressure communication with the bitumen, and therefore the bitumen will be degassed and recoveries and development of the bitumen resource will be significantly compromised. Current pressure draw down in the bitumen has been shown to be currently as high as 1000 kPa and as far away as 800m laterally from the zero gas pay edge. The region of influence (ROI) of gas cap production is estimated to extend 2 km from the zero gas edge after 10 years. Within this ROI of gas cap production, ~300e6 bbls of recoverable bitumen will be affected.

The area in which gas cap production is an issue spans 9 townships (T66 R5-6w4, T67 R3-6w4, and T68 R3-6w4). CNRL has met with EnCana on numerous occasions over the past years, and discussions continue. CNRL will continue to work with EnCana and the EUB in the interest of achieving a satisfactory resolution of this issue. The following is a list of the gas wells requested to be shut-in:

<b>Clearwater Gas Pools</b>	<b>UWI</b>	<b>Licencee</b>
Fisher "A"	10-22-67-5w4	CNRL
Fisher "CC/DD"	11-33-68-5w4	EnCana
Fisher "E"	2-24-68-4w4 5-18-68-3w4 8-13-68-4w4 14-24-68-4w4 3-25-68-4w4	EnCana EnCana EnCana EnCana EnCana
Fisher "F"	10-26-68-4w4	EnCana
Fisher "K"	10-33-68-4w4	EnCana
Fisher "U"	5-17-68-3w4	EnCana
Moore "A"	7-31-67-3w4 6-32-67-6-3w4	EnCana EnCana
Moore "B"	102/12-9-68-3w4 10-8-68-3w4	CNRL EnCana

<sup>1</sup> CNRL's Position on Gas over Bitumen in the Clearwater: Pressure Monitoring Program – Status Report, September 2002, Updated June 2005.

Moore "C"	7-16-68-3w4	EnCana
	5-15-68-3w4	EnCana
	10-21-68-3w4	EnCana
	15-29-68-3w4	EnCana

The Leming "O" Pool which was included in the original shut-in request in September 2002 is not included in this request because it is currently under a voluntary shut-in by CNRL and EnCana. CNRL is currently conducting a pilot project to determine if oil production under the gas cap is possible. If oil production under this gas cap has already been rendered uneconomic by historic gas production there will be no need to issue a shut-in order for this pool.

If you have any questions or concerns about these matters please contact Daryl Youck (403) – 517-6805.

Yours Truly,  
**CANADIAN NATURAL RESOURCES LIMITED**

Daryl Youck, P.Eng.  
 Exploitation Manager

.cc EUB – Terry Abel  
 EnCana – Cam Buss