



May 26, 1998

Ref: 980446
File: 3460-4800-59240-07

Mr. H. Adrian Sun, P. Eng.
Senior Petroleum Engineer
Murphy Oil Company Ltd.
P.O. Box 2721, Station "M"
Calgary, AB T2P 3Y3

Murphy Project #1

Dear Mr. Sun:

**RE: APPROVAL FOR CONCURRENT PRODUCTION, AMENDMENT #3
ELM HALFWAY "A" POOL**

This refers to your application of February 25 and supporting letter dated May 11, 1998 requesting the removal of gas production allowables for the Concurrent Production scheme previously approved for the subject pool.

The Approval 97-07-006 (Amendment #3) is hereby granted under section 97 of the Petroleum and Natural Gas Act.

A gas production limit is retained to control gascap production; however, this limit has been increased to allow economic production of high GOR wells. The Ministry still encourages Murphy Oil Company Ltd. to examine the possibilities for secondary production or the application of horizontal drilling technology to maximize oil recovery from this pool.

Yours sincerely,

Bou van Oort, P.Eng
Director
Engineering and Operations Branch

RGS/mef

Attachment

Copies for Approval Letter to Industry (11)
RE: GEP, Salt Water Disposals, etc.

- G. Miltenberger
- Data Management
- R. Stefik
- D. Richardson
- P. Attariwala
- G. Farr
- S. Chicorelli
- Resource Revenue
- 59240
- Wellfiles (originals)
- Daily

APPROVAL 97-07-006 (AMENDMENT #3)

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
MINISTRY OF ENERGY AND MINES
ENERGY AND MINERALS DIVISION


IN THE MATTER of a Concurrent Production proposal of Murphy Oil Company Ltd. (Murphy) for producing the Elm Halfway "A" Pool with a project oil and gas allowable.

NOW, THEREFORE, the Division Head, pursuant to section 97 of the Petroleum and Natural Gas Act (the Act), hereby approves an amendment to the Concurrent Production project of Murphy for oil and gas production with project allowables, as such project is described in

an Application from Murphy to the Division dated February 25, 1998, and related submission.

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

1. The area of the project shall consist of Units 52 - 55, 62 - 65, 72, 73, 82 and 83 of Block C/94-H-7.
2. The daily oil allowable is waived.
3. The gas production limit for the project is $140.0 \times 10^3 \text{ m}^3/\text{d}$.
4. All associated gas production must be conserved.
- 5 ~~6~~. This approval may be modified or rescinded at a later date if deemed appropriate.



Bob van Oort, on behalf
of the Division Head
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 27th day of May, 1998.