

July 11, 2011

9021-5000-59240-06

Janetlee Blakney  
Senior Geologist  
Murphy Oil Company Ltd.  
4000, 520 – 3<sup>rd</sup> Avenue S.W.  
Calgary AB T2P 3Y3

Dear Ms. Blakney:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #1  
OTHER THAN NORMAL SPACING ORDER, AMENDMENT #1  
HERITAGE FIELD – MONTNEY “A” POOL**

The Commission has reviewed your application dated May 25, 2011, requesting amendment of a Good Engineering Practice approval for the Heritage field - Montney formation.

The Commission maps this area within the regional Heritage field Montney “A” pool. Application is intended to extend successful development beyond the original approval area, as gas recovery from this resource benefits from the ability to produce horizontal wells in optimal locations, drilling from central sites.

The following Orders are attached;

- 1) Order 10-06-021 (Amendment #1) designating Good Engineering Practice, Murphy Project #2, within a portion of the regional Heritage field Montney formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 10-06-021-OTN (Amendment #1) approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

For regulatory purposes, the Commission designates the entire Montney sequence as a single formation, removing commingling as an issue. No objections were received following a posting of a notice of application on the OGC website.

Please note that during processing of the application for amendment an error was identified within the original order. It was identified that the order unintentionally included fractional section 34-76-16 W6M as such the aforementioned section has now been removed from the order.

Should you have any questions, please contact the Richard Slocomb at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Alex Ferguson  
Commissioner  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Murphy Oil Company Ltd. to the Commission dated May 25, 2011 for a Good Engineering Practice project.

**ORDER 10-06-021 (AMENDMENT #1)**

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Heritage field – Montney “A” pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 93-P-9 Block E Units 16-19, 26-29, 32-39, 42-49, 54-59, 60, Fractional units 64-70  
93-P-10 Block G Units 54-57, Fractional units 64-67  
Block H Unit 51, Fractional unit 61

DLS Twp 76 Rge 16 W6M Fractional Sections 31-33  
Twp 76 Rge 17 W6M Fractional Section 36  
Twp 76 Rge 18 W6M Fractional Sections 34-35  
Twp 77 Rge 16 W6M Sections 4-9, 16-21, 30, 31  
Twp 77 Rge 17 W6M Sections 1, 8, 12, 13, 15, 17-20, 22-36  
Twp 77 Rge 18 W6M Sections 2, 3, 8-10, 14-17, 21-28, 32-36  
Twp 78 Rge 16 W6M Sections 6  
Twp 78 Rge 17 W6M Sections 1-12, 15-17, 20  
Twp 78 Rge 18 W6M Sections 1-4, 9-12, 14-17, 21 and 22.



Alex Ferguson  
Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this // day of July 2011.

IN THE MATTER of an application from Murphy Oil Company Ltd. to the Commission dated May 25, 2011 for Other Than Normal Spacing.

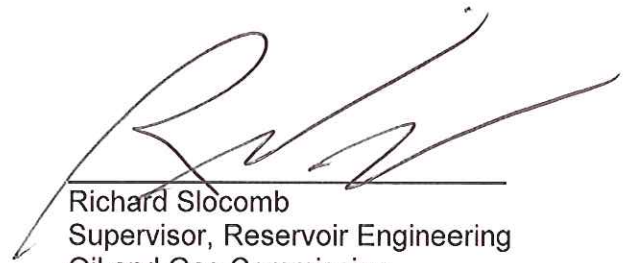
**ORDER 10-06-021-OTN (AMENDMENT #1)**

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Heritage field Montney "A" pool within the following area;

NTS 93-P-9 Block E Units 16-19, 26-29, 32-39, 42-49, 54-59, 60, Fractional units 64-70  
93-P-10 Block G Units 54-57, Fractional units 64-67  
Block H Unit 51, Fractional unit 61

DLS Twp 76 Rge 16 W6M Fractional Sections 31-33  
Twp 76 Rge 17 W6M Fractional Section 36  
Twp 76 Rge 18 W6M Fractional Sections 34-35  
Twp 77 Rge 16 W6M Sections 4-9, 16-21, 30, 31  
Twp 77 Rge 17 W6M Sections 1, 8, 12, 13, 15, 17-20, 22-36  
Twp 77 Rge 18 W6M Sections 2, 3, 8-10, 14-17, 21-28, 32-36  
Twp 78 Rge 16 W6M Sections 6  
Twp 78 Rge 17 W6M Sections 1-12, 15-17, 20  
Twp 78 Rge 18 W6M Sections 1-4, 9-12, 14-17, 21 and 22.

- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:
- a) the target area for a gas well completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area,
  - b) a gas well completed outside the specified target area may be subject to an off-target production penalty,
  - c) gas wells drilled within the specified project area are not subject to spacing requirements.



Richard Slocomb  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this *il* day of July 2011.