

May 20, 2009

9021-5000-59240-06

Merle Spence, P.Eng.
General Manager, Development
Murphy Oil Company Ltd.
P.O. Box 2721, Station M
1700, 555 – 4 Avenue S.W.
Calgary AB T2P 3Y3

Dear Mr. Spence:

**RE: GOOD ENGINEERING PRACTICE APPROVAL (AMENDMENT #3)
HERITAGE – MONTNEY “A” POOL**

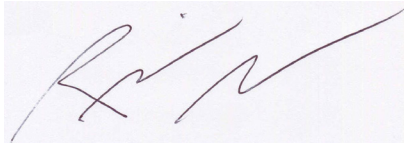
Commission staff have reviewed your application, dated March 16, 2009, requesting an amendment to the existing Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the regional Heritage field Montney “A” pool.

Attached is GEP scheme Approval 07-06-003 (Amendment #3), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*.

The approval is intended to allow the drilling and production of additional gas wells without spacing and target considerations for maximization of gas recovery. The gas target buffer distances have been reduced to 100 meters for some of the project boundaries, based on documentation of consent from offsetting rights owners.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,



Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering

Attachment

APPROVAL 07-06-003 (Amendment #3)

**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 Murphy Oil Company Ltd. (Murphy) for producing gas from a portion of the regional Heritage – Montney “A” pool without spacing and target restrictions.

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

Applications from Murphy to the Commission dated October 25, 2007, January 9, 2009 and March 16, 2009 and related submissions.

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

1. The area of the scheme shall consist of:

93-P-8:

Block I – units 54, 55, 64, 65, 74-79, 84-89, 100

Block J – units 91-93

93-P-9:

Block A – units 10, 20, 30-77, 81-87, 91-93

Block B – units 01-03, 11-13, 21-23, 31-33, 41-43, 51-55, 61-65

Block H – units 01-03.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved scheme area, with the **exception** of the following project boundaries where wells can be completed to within **100 m**:

93-P-8:

Block I East side of unit 100

Block J West side of unit 93

93-P-9:

Block A West side of unit 77, 87, 93

North side of unit 68-70, 84-87

East side of unit 10, 20, 30

Block B West side of unit 03, 13, 23, 33, 43, 55, 65

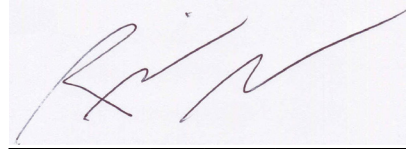
North side of unit 61-65

South side of unit 54, 55

Block H West side of unit 03

North side of unit 01-03

3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.

A handwritten signature in dark ink, appearing to read 'Richard Slocomb', is written over a light grey rectangular background.

Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of May 2009.