



August 3, 2011

9021-5000-59240-06

Darlene Balaski  
Senior Mineral Land Administrator  
Murphy Oil Company Ltd.  
P.O. Box 2721, Station M  
Calgary AB T2P 3Y3

Dear Ms. Balaski:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #4  
OTHER THAN NORMAL SPACING ORDER, AMENDMENT #4  
HERITAGE FIELD – MONTNEY “A” POOL**

The Commission has reviewed your application dated August 2, 2011, requesting amendment of a Good Engineering Practice approval for the Heritage field - Montney formation.

The following Orders are attached;

- 1) Order 07-06-003 (Amendment #4) designating Good Engineering Practice, Murphy Project #1, 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 07-06-003-OTN (Amendment #4) approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

Approval is intended to allow the drilling and production of additional gas wells without spacing and target considerations for maximization of gas recovery. This amendment reduces the gas target buffer distance to 100 meters along an additional portion of the project boundaries, based on documentation of consent from offsetting rights owner. Other portions of the boundary formerly with a 250 m buffer distance have been reduced to 150 m, in recognition of the low permeability of this reservoir.

Should you have any questions, please contact Ron Stefik at (250) 419-4430.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alex Ferguson', is written over a horizontal line.

Alex Ferguson  
Commissioner  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Murphy Oil Company Ltd. to the Commission dated August 2, 2011 for a Good Engineering Practice project.

**ORDER 07-06-003 (AMENDMENT #4)**

- 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;

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 1-3, 11-13, 21-23, 31-33, 41-43, 51-55, 61-65

Block H - units 1-3.



Alex Ferguson  
Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 3 day of August 2011.

IN THE MATTER of an application from Murphy Oil Company Ltd. to the Commission dated August 2, 2011 for Other Than Normal Spacing.

**ORDER 07-06-003-OTN (AMENDMENT #4)**

- 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;

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 1-3, 11-13, 21-23, 31-33, 41-43, 51-55, 61-65

Block H - units 1-3.

- 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, except for 100 m for the following boundaries:

93-P-8: Block I East side of units 74, 84

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

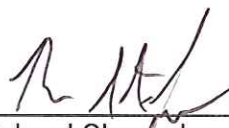
North side of unit 61-65

South side of unit 54, 55

Block H West side of unit 03

North side of unit 01-03

- 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.

  
For \_\_\_\_\_  
Richard Slocomb  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 3<sup>rd</sup> day of August 2011.