

June 7, 2010

9021-5000-59240-06

Jessica Hanna, E.I.T.  
Reservoir Engineer  
Murphy Oil Company Ltd.  
P.O. Box 2721, Station M  
1700, 555 – 4 Avenue S.W.  
Calgary AB T2P 3Y3

Dear Ms. Hanna:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
HERITAGE – MONTNEY “A” POOL**

Commission staff have reviewed your application, dated January 27, 2010, requesting 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 10-06-021, hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. Gas target buffer distances have been reduced to 100 and 150 meters for certain area boundaries, based on documentation of consent from off-setting rights owners, to allow drilling and production of gas wells in the GEP area for maximization of gas recovery.

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

Sincerely,



Richard Slocomb, P. Eng.  
Supervisor, Reservoir Engineering

Attachment

APPROVAL 10-06-021

THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
DRILLING AND PRODUCTION REGULATION  
OIL AND GAS COMMISSION

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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 the GEP scheme of Murphy as such scheme is described in

*an Application from Murphy to the Commission dated January 27, 2010 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-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

Twp 76 Rge 16 W6M Fractional Sections 31-34  
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, 12, 13, 17, 19, 20, 22-36  
Twp 77 Rge 18 W6M Sections 2, 3, 8-10, 14-17, 21-28, 32, 33, 35, 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, 22.

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 the following distances:

**100 meters:**

North Boundary of:

TWP 77 R 16 W6: Sections 20, 21  
TWP 78 R 16 W6: Section 6  
TWP 78 R 17 W6: Sections 11, 12, 15, 16

East Boundary of:

TWP 76 R 16 W6: Section 33  
TWP 77 R 16 W6: Sections 4, 9, 16, 21, 30, 31  
TWP 78 R 16 W6: Section 6  
TWP 78 R 17 W6: Sections 12, 15, 20  
093-P-09 Block E: Units 54, 64

**150 meters:**

North Boundary of:

TWP 77 R 18 W6: Sections 17, 32

TWP 78 R 17 W6: Sections 7, 20

TWP 78 R 18 W6: Sections 12, 14, 17, 21, 22

East Boundary of:

TWP 77 R 17 W6: Sections 17, 20

TWP 78 R 18 W6: Sections 14, 22

South Boundary of:

093-P-09 Block E: Units 16-19

TWP 77 R 17 W6: Section 28

TWP 77 R 18 W6: Sections 8, 9, 32

TWP 78 R 18 W6: Section 17

West Boundary of:

093-P-10 Block H: Units 51, 61

093-P-10 Block G: Units 57, 67

TWP 76 R 16 W6: Section 31

TWP 76 R 18 W6: Section 34

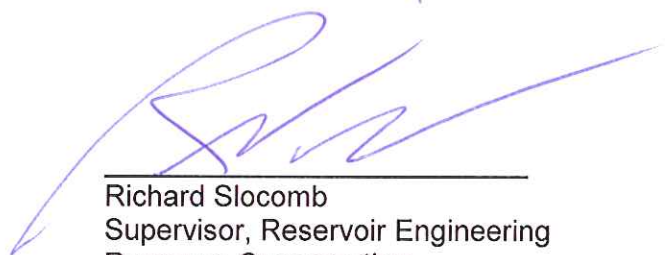
TWP 77 R 17 W6: Sections 1, 12, 13, 17, 22

TWP 77 R 18 W6: Sections 3, 8, 17, 21, 28, 32

TWP 78 R 17 W6: Sections 17, 20

TWP 78 R 18 W6: Sections 4, 9, 17, 21

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.



Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 7th day of June 2010.