

November 4, 2016

9021-5000-32640-60

Lyle Laqua Murphy Oil Company Ltd. 4000, 520 – 3rd Avenue SW Calgary, AB T2P 0R3

Dear Mr. Laqua:

RE: OBSERVATION WELL AMENDED APPROVAL MONTNEY FORMATION

In November 2013 the Commission approved observation status for the following wells, for the Montney formation:

- Murphy Heritage 02-10-078-18 (WA 24477)
- Murphy Heritage 04-30-077-16 (WA 24628)
- Murphy Heritage 02-21-077-18 (WA 24634)
- Murphy HZ Brassey 06-16-077-18 (WA 25818)
- Murphy HZ Sundown 16-33-077-18 (WA 26378)
- Murphy Sundown 13-14-077-18 (WA 24318)
- Murphy HZ Sundown 16-16-077-17 (WA 27747)
- Murphy Sundown 13-08-077-17 (WA 27513)

The wells Murphy Heritage 02-21-077-18 (WA 24634), Murphy Sundown 13-14-077-18 (WA 24318) and Murphy Sundown 13-8-077-17 (WA 27513) have not had downhole pressures taken, a condition of the observation status. The Commission therefore rescinds the approval for observation status for these three wells.

Approval of observation status remains for the following five wells, which were pressure tested in January 2014:

- Murphy Heritage 02-10-078-18 (WA 24477)
- Murphy Heritage 04-30-077-16 (WA 24628)
- Murphy HZ Brassey 06-16-077-18 (WA 25818)
- Murphy HZ Sundown 16-33-077-18 (WA 26378)
- Murphy HZ Sundown 16-16-077-17 (WA 27747)

Observation status is conditional on reservoir pressure testing of these wells at a minimum frequency of every third year, with no more than a three year period elapsing between tests.

Should you have any questions, please contact Kathryn Archibald at (250) 419-4457 or the undersigned at (250) 419-4430.

Sincerely,

Ron Stefik, Eng. L Supervisor, Reservoir Engineering Oil and Gas Commission

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