

November 12, 2013

9021-5000-32640-60

Aaron White, EIT  
 Exploitation Engineer  
 Murphy Oil Company Ltd.  
 4000, 520 – 3<sup>rd</sup> Avenue SW  
 Calgary, AB T2P 0R3

Dear Mr. White:

**RE: OBSERVATION WELLS  
MONTNEY FORMATION**

Commission staff have reviewed the request for approval of observation well status dated September 30, 2013 for the below listed wells. The Drilling and Production Regulation Part 1 defines an observation well as “a well or a portion of a well designated as an observation well under section 2 (7)”.

- 2 (7) An official may designate a well as an observation well if
- (a) the well is being used to monitor reservoir pressures or to obtain other formation information, and
  - (b) the well is not used to produce from, or inject or dispose of fluids into, a formation being monitored.

WA	Well Name	Completed	Last Prod	Press Test Dates	Require Next Press Test
24477	Murphy Heritage 2-10-78-18	Dec. 2008	None	2009 & 2012	2014
24628	Murphy Heritage 4-30-77-16	Feb 2009	None	2012	2014
24634	Murphy Heritage 2-21-77-18	Mar. 2009	None	None	2014
25818	Murphy HZ Brassey 6-16-77-18	Apr. 2010	None	None	2014
26378	Murphy HZ Sundown 16-33-77-18	Apr. 2011	None	None	2014
24318	Murphy Sundown 13-14-77-18	May 2011 (Susp)	None	None	2014
27747	Murphy HZ Sundown 16-16-77-17	Jan. 2012	None	None	2014
27513	Murphy Sundown 13-8-77-17	Jan 2012	None	None	2014

These wells were completed in the Montney formation on the dates indicated, but were never placed on production. Lack of activity for more than 1 year has resulted in these wells being flagged by the OGC for suspension. Murphy Oil would like to use these wellbores to monitor Montney pressures in their area of the Heritage regional field.

Approval of observation status is granted for the listed wells with requirement for pressure testing of each well in 2014 and then not more than every 3 yrs subsequently until the wells are active producers. At that time, the requirements of Drilling and Production Regulation section 73 for reservoir pressure testing will apply.

Should you have any questions, please contact Michelle Gaucher at (250) 419-4482 or the undersigned at (250) 419-4430.

Sincerely,



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