

File No. 1700
Board Order No. 1700-2

July 15, 2011

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS
ACT, R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE NORTH WEST ¼ OF SECTION 23 TOWNSHIP 77 RANGE 17
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT
(The "Lands")

BETWEEN:

Murphy Oil Company Ltd.

(APPLICANT)

AND:

Douglas Robert Jerome, Robert Earl Jerome and Pearl Jerome

(RESPONDENTS)

BOARD ORDER

Heard by telephone conference: July 5, 2011
Mediator: Rob Fraser

On July 5, 2011, I conducted mediation in an effort to resolve the issues of the right of access and compensation. The parties were unable to resolve either issue.

Murphy Oil Company Ltd. ("Murphy") seeks a Right of Entry Order to drill, complete and operate four wells on certain lands legally owned by Douglas Robert Jerome, Robert Earl Jerome and Pearl Jerome.

Murphy set out the terms it requested in the Right of Entry Order, the Jeromes responded with further terms and conditions. I am satisfied that the Applicant needs access to the Lands for a purpose described in section 142 (a) to (c) of the *Petroleum and Natural Gas Act*, specifically, to drill, complete and operate four new wells.

I have incorporated the suggestions from both parties, realizing that some of the terms and conditions fall within the jurisdiction of the Oil and Gas Commission.

The parties are unable at this time to resolve the issue of compensation. If they cannot resolve this issue, I will conduct further mediation.

ORDER

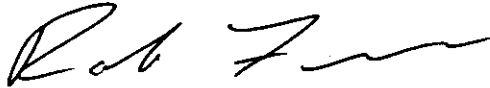
Pursuant to section 159 of the *Petroleum and Natural Gas Act*, the Board orders as follows:

1. Upon payment of the amount set out in paragraphs 3 and 4, Murphy shall have the Right of Entry to and assess across the portions of the Lands legally described as THE NORTH WEST ¼ OF SECTION 23 TOWNSHIP 77, RANGE 17, WEST OF THE 6TH MERIDIAN, PEACE RIVER DISTRICT, as shown on the individual ownership plan attached as Appendix "A" (the "Lands") for all matters related to the construction, completion an operation of four (4) additional natural gas wells.
2. Murphy's right of entry shall be subject to the terms and conditions attached as Appendix "B" to this right of entry Order.

3. Murphy shall deliver to the Surface Rights Board security in the amount of \$1,000.00 by cheque made payable to the minister of Finance. All or part of the security deposit may be returned to Murphy, or paid to the landowner, upon agreement of the parties or as ordered by the Board.
4. Murphy shall pay to the landowner as partial payment for compensation the amount of \$6,000.00.
5. Nothing in this Order operates as a consent, permission, approval, or authorization of a matter within the jurisdiction of the Oil and Gas Commission.

DATED: July 15, 2011

FOR THE BOARD

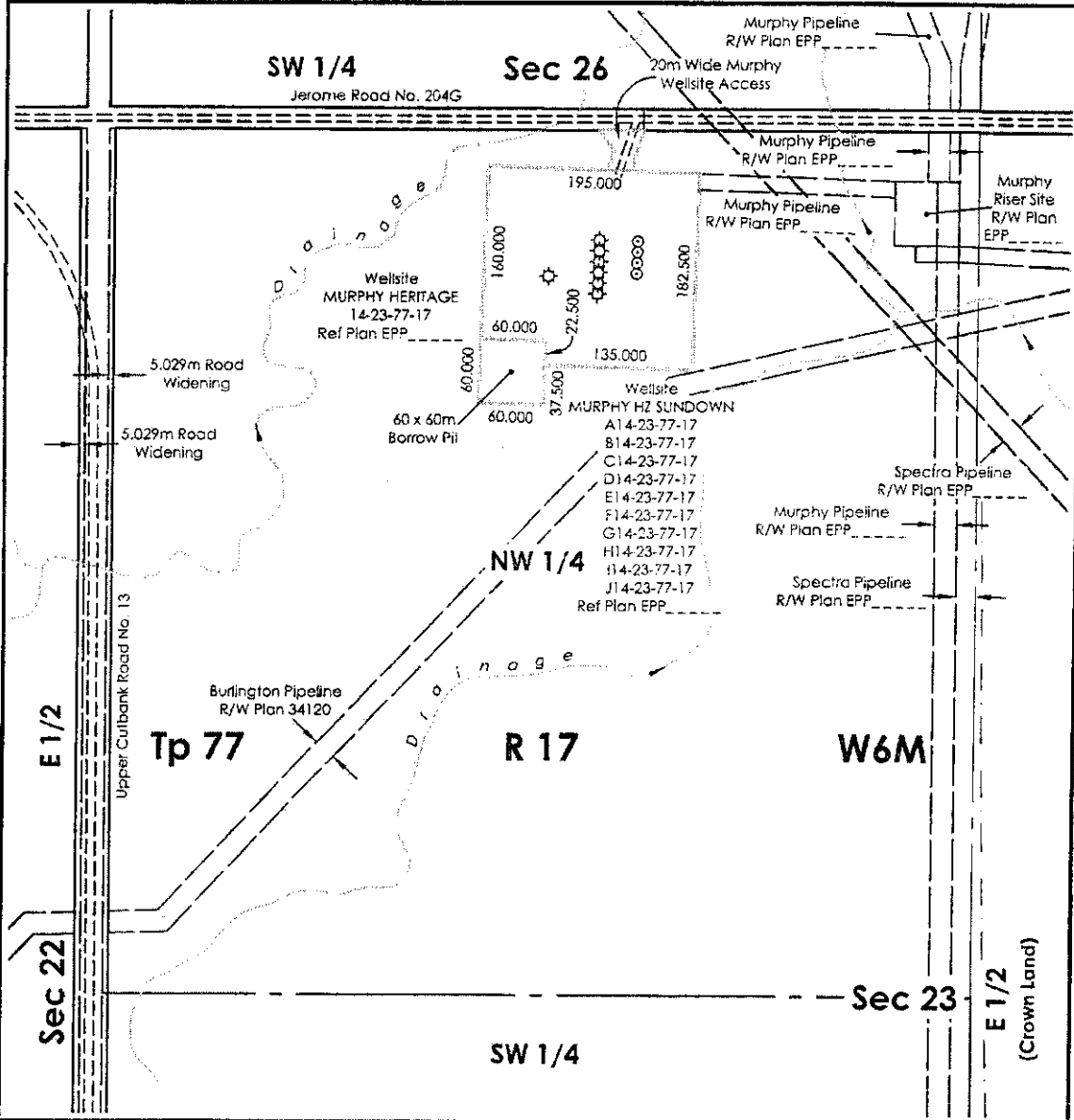
A handwritten signature in black ink, appearing to read "Rob Fraser", written over a horizontal line.

Rob Fraser, Mediator

Attached to and made part of a Lease dated this ____ day of _____, 20____, between

Robert Earl Jerome, Pearl Jerome, Douglas Robert Jerome as Owner and Murphy Oil Company Ltd. as Company.

**MURPHY OIL COMPANY LTD.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
WELLSITE AND ACCESS IN
NW 1/4 Sec 23, Tp 77, R 17, W6M
PEACE RIVER DISTRICT**



TITLE No.: PM50525 **P.I.D. No.:** 013-699-121
OWNER(S): Robert Earl Jerome
 Pearl Jerome
 Douglas Robert Jerome

AREA REQUIRED:

Wellsite	3.42 ha	8.45 ac
Borrow Pile	0.36 ha	0.89 ac
Access Road	0.10 ha	0.25 ac
TOTAL:	3.88 ha	9.59 ac

LEGEND
 SCALE = 1 : 5,000
 Portions referred to: _____
 Notes: Distances shown are in metres.
 Dimensions and areas derived from original wellsite plans.
 Certified correct this
 8th day of March, 2011.

Chris R. Sakundiak, BCLS

NO	DATE	REVISION	DRN	CKD
0	10/10/08	Original plan issued	FJP	BB
1	11/03/08	Total Lease Dimensions Shown	GJP	CS

can-am geomatics
 can-am geomatics bc Phone: 250.787.7171
 Fort St. John, B.C. Toll Free: 1.866.208.0983
 www.canam.com Fax: 250.787.2323

CAN-AM FILE: J20100448
CAD FILE: J20100448IOP01
Client File No.: 52106137
AFE No.:
Land file No.:



APPENDIX "B"

Conditions for Right of Entry

1. Murphy will use hospital grade mufflers on diesel generator to reduce noise from the drilling rig, as well as no Jake brakes will be used on trucks.
2. Murphy will implement reasonable measures to control dust.
3. Murphy will take reasonable steps to ensure that no garbage is left behind by any of its operations on the Lands.
4. The landowner will be notified prior to construction.
5. Murphy will make all reasonable efforts to keep employees, agents or contractors from parking on the roadways within one quarter mile of the Jerome's residence.
6. Murphy will comply with all applicable regulations with respect to flaring, and will try to minimize flaring if reasonably possible under the circumstances. Murphy will provide 48 hours notice of flaring activity.
7. Murphy will make all reasonable efforts to ensure that none of its employees, agents or contractors trespasses off the right of way and temporary work space.
8. There will be no drilling or completions during the month of May on 14-23-77-17.
9. Murphy will contract with the landowners first for access to water for drilling/completions, if the rates are reasonable and fair.
10. Murphy will provide a copy of these terms and conditions to the Construction Manager, Rig Manager and Completions Manager.