

File No. 1717
Board Order No. 1717-2

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 EAST ¼ OF SECTION 27 TOWNSHIP 77 RANGE 17
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT
(The "Lands")**

BETWEEN:

Murphy Oil Company Ltd.

(APPLICANT)

AND:

Douglas Robert Jerome and Toni Ethel 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 and Toni Ethel 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:

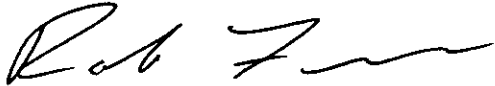
1. Upon payment of the amount set out in paragraphs 3 and 4, Murphy shall have the Right of Entry to and assess across the portions of the Lands legally described as THE NORTH EAST ¼ OF SECTION 27 TOWNSHIP 77, RANGE 17, WEST OF THE 6TH MERIDIAN, PEACE RIVER DISTRICT, as shown on the individual ownership 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 total amount of \$11,244.00.
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

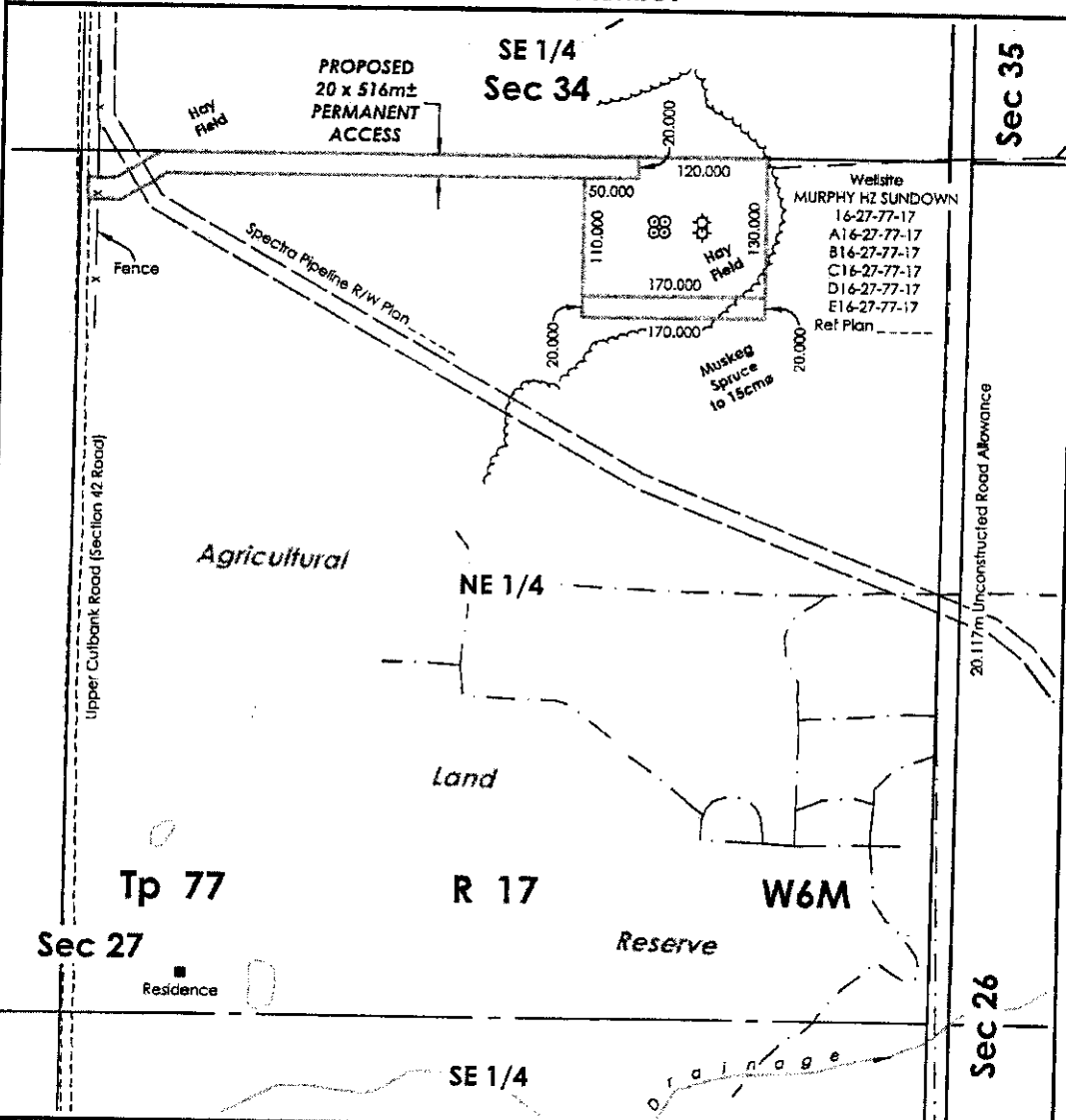
FOR THE BOARD

A handwritten signature in black ink, appearing to read "Rob Fraser", written in a cursive style.

Rob Fraser, Mediator

Attached to and made part of a Lease dated this ___ day of _____ 20___ between
 Douglas Robert Jerome & Toni Ethel Jerome as Owner and Murphy Oil Company Ltd. as Company.

**MURPHY OIL COMPANY LTD.
 INDIVIDUAL OWNERSHIP PLAN
 SHOWING PROPOSED
 WELLSITE AND ACCESS IN
 THE NORTH EAST 1/4 Sec 27, Tp 77, R 17, W6M
 PEACE RIVER DISTRICT**



TITLE No.: T22829 **P.I.D. No.:** 014-439-891
OWNER(S): DOUGLAS ROBERT JEROME
 TONI ETHEL JEROME

AREA REQUIRED:

Wellsite	2.11 ha	5.21 ac
Borrow Pit	0.34 ha	0.84 ac
Access	1.03 ha	2.55 ac
TOTAL:	3.48 ha	8.60 ac

LEGEND
 SCALE = 1 : 5,000
 Portions referred to: _____
 Notes: Distances shown are in metres.
 Dimensions and areas derived
 from original well plans.

Chris R. Sakundiak, BCLS

NO	DATE	REVISION	DRN	CKD
2	09/10/14	Header Added to IOP Title Block	GJP	RN
3	09/10/22	Access Revised	EJ	RN
4	09/10/30	Removed Corner Cuts	EJ	RN
5	11/03/08	Total Lease Dimensions Shown	GJP	CS

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CAN-AM FILE: J20090375
 CAD FILE: J20090375IOP05
 Client File No.:
 AFE No.: 52096111
 Lana File No.:
5
 REVISION

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. Murphy's employees, agents and contractors will be advised that the swinging gate is to be kept closed on 16-27-77-17 except during drilling and completions where it would be impractical.
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.