

**Community Liaison Committee  
Meeting Minutes  
April 7, 2009**

DC#: 70-M-0007-09

**Attendees:**

<b>Corridor Representation</b>			
Doug Bailey	Corridor Resources Inc.	Dena Murphy	Corridor Resources Inc.
Larry Huskins	Corridor Resources Inc.		
<b>Community Representation</b>			
Stewart Duncan	John Mason	Dave Cruickshank	Allan Teakles
Jayne McQuinn	Jim VandeBrand	Jim Carpenter	
<b>Government</b>			
Bruce Northrup, Kings East MLA			
<b>Guests</b>			
Ed Murray, resident		Fred VandeBrand, resident	
Matthew VandeBrand, resident		Beth Nixon, resident	
June McLaughlin, resident		Hazel Douthwright, resident	
Phil Sellars, resident			

**1) General**

Three Corridor representatives, seven community representatives and eight guests attended the 20<sup>th</sup> meeting of the Community Liaison Committee on Tuesday, April 7, 2009. Doug Bailey, Corridor's Production Operations Manager, chaired the meeting. Guests included residents: Fred VandeBrand, Matthew VandeBrand, Ed Murray, Beth Nixon, Hazel Douthwright and June McLaughlin as well as Bruce Northrup Kings East MLA and Phil Sellars from Sussex.

Minutes from the February 2, 2009 meeting were reviewed. The Outstanding Action Items from the previous meeting were discussed and new issues were identified.

The next Committee meeting will take place on Tuesday, June 9, 2009 at 7:00 pm at the Penobscuis WI Hall.

**2) Project Updates**

Seismic:

Dena Murphy gave an update on the South Branch 3D seismic program.

- Post seismic clean-up last fall was undertaken, but early snow storms may have buried some equipment or other materials that should be collected for disposal. Corridor will be returning to the seismic survey area this spring (probably early May) to pick up any other seismic equipment that had been buried. Landowners will be contacted by the clean-up crews prior to entering any private land.

- At the present time, no additional seismic is planned by Corridor for the McCully or Salt Springs areas for 2009. If plans change, Corridor will keep the community informed.

#### Production:

Doug Bailey provided an update on production.

- The plant and wells have been operating normally.
- The construction of the facilities for G-48 (Moffett) well pad tie-in are partly finished and anticipated to be completed next month.
- Corridor has obtained the Permit to Construct for the I-39 (Folkins) well pad tie-in and this construction may take place late summer.

#### Drilling:

Larry Huskins provided an update:

- Drilling on the G-48 (Moffett) well pad will be finished mid next week. Corridor will shut down this rig and move it to the Gas Plant site.
- The potential for a well on the G-36 (Landry) well pad exists if the oil test shows good results. This well would not be started until at least late summer.
- Both rigs will be shut down until late summer.
- Corridor was interested in constructing a well pad in the Goshen Road area. However, road bans were being implemented in March and more work was needed to interpret the geology and finalize a bottom hole location. Corridor and PCS deferred the well pad to allow more time to interpret the subsurface data and to avoid spending money on a high risk well in this economic climate.

#### Completions:

Larry Huskins provided an update:

- The Frac Program is anticipated to start late June and will last approximately 2 months. Given there are fewer wells to frac, the program will be shorter than last year. Three wells on the G-48 (Moffett) well pad will be fraced. There is also the potential for fracking of one well at I-39 (Folkins) and one or two fracs in the Green Road area. Frac crews will be in the field for one month, but coil tubing and snubbing crews will be in the field before and after undertaking work.
- Corridor is also going to undertake another microseismic program, which will involve laying out a surface array of geophones (listening devices) around the G-48 (Moffett) well pad and listening to the noise from fracs deep within the earth to determine how they are propagating. This will happen at the same time as the frac activity and will take about 20 days. It will cover the area from Maxtan Drive to the gas plant and from the top of Dunsinane to the TransCanada. Land agents will be in the field obtaining permissions to work on private land.
- An oil test is being undertaken at G-36 (Landry) well pad. Corridor received environmental approval several weeks ago and started the test. However, there were difficulties with the pump and it was replaced. A resident asked what happens to the oil when it is out of the well. Corridor noted that the oil from the well is placed in tanks on site and will be removed from site via trucks.

### HSE & Sponsorship:

Dena Murphy gave an update on HSE and the Sponsorship Program.

- Since the last CLC meeting, two incidents occurred on Corridor's sites. On February 24, a Restricted Work Case (8 days) occurred on the I-39 (Folkins) Well Pad when a Newalta contractor twisted and sprained his ankle as he stepped out of the excavator onsite onto uneven ground. On March 28, a spill occurred at the L-38 Well on the G-48 Well Pad during drilling when Nabors Rig 86 encountered a higher pressure zone than was expected and took a 'kick' of gas. When the gas was circulated to the surface, the high pressure and the volume in the degasser tank (which is used to contain mud and send the gas to flare) resulted in approximately 1 m<sup>3</sup> of SBM accidentally being released over the top of the tank onto the ground. This was reported to the NB ENV and cleaned up.

Six requests for community sponsorship in NB have been received to date in 2009 (plus several for NS). Five of the six requests were for larger projects (e.g., >\$500). Several proposals are currently under review and decisions are expected to be made by the end of April: Community Enrichment Committee – playground; Transport for Christ Chapel – truck driver faith support; Tristan's Titans – Saint John Regional Hospital Neonatal ICU; and Sussex Middle School - End of Year Awards. Decisions have been made for the following: Sussex Fish & Game Association – annual conservation supper (awarded); and Sussex & District Chamber of Commerce IT and office upgrades (declined). The Scholarship Program for 2009 is open for applications and we will be contacting schools shortly and providing the application form.

### **3) Community Updates**

- A resident noted that there is a Rural Planning meeting coming up on April 20<sup>th</sup> and that it is important that residents attend and provide input.
- A resident commented that Corridor's Drilling Supervisor did a good job of cleaning up the Canada Packers Road. The Supervisor was seen doing the clean-up work.
- A resident asked why Corridor would be interested in Underground Storage, if it doesn't need it for storing its own gas. Corridor confirmed that an Underground Storage project may not involve storage of Corridor gas. It would be intended for other customers to store either gas or liquids. At this point in time, Corridor does not have any customers and Corridor does not have a project. It is just investigating the concept of Underground Storage, given the large salt deposit in the Salt Springs area.
- A resident also asked how many more well pads would be needed before the Corridor pipeline and gas plant are at full capacity. Corridor indicated that it would be a long time before the gas plant and pipeline capacity is reached, given Corridor is currently just maintaining its existing production rate.

### **4) Update on Action Items and New Issues**

- **Fracking** – A question was raised about fracking affecting water in some activities in the United States. There were links to articles provided to Corridor by a guest on this topic related to the activities of other operators in the United States. It does not appear as if these situations are directly comparable to Corridor's activities. *ACTION: Completions group to follow-up and investigate further.* Larry Huskins provided more detailed

information about this issue. Corridor has undertaken microseismic which allows Corridor to listen to the rocks frac and determine the extent of the frac propagation. During the summer of 2006, in one of the wells on the M-66 (Wallace) Well Pad, this microseismic provided Corridor with information as to where the frac went and how long it was. The frac was at 2200m deep, the height was a total of 70-80m (40m up and down) and the length was 100m in the horizontal. There are some issues around the world associated with fracking and water wells, but these issues are mainly associated with shallow (100-200m) activities such as coal bed methane. Given Corridor's fracking takes place over 2 km deep, there is no possibility of impacts to water wells given Corridor's wells are cased from top to bottom.

- **Seismic** – A question was raised as to whether there is any planned seismic for 2009. At this time, there is no seismic scheduled for the McCully Field or for Salt Springs in 2009.
- **Oil Production** – A question was raised about the activity planned for the oil at the G-36 (Landry) well pad. The service rig is planned to go to the G-36 (Landry) well pad and install a pump for testing of the oil. The testing is anticipated to take place in March. This test will provide valuable reservoir information to enable Corridor to determine what its go-forward plan will be. See Update above.
- **Summer Students** – A question was raised as to whether Corridor would be hiring any summer students this year. The Production group may be looking for an engineering summer student.
- **Meeting Locations** – A request was made to alternate the meetings to the Penobsquis WI Hall to help them bring in some income with hall rental. The Committee agreed and the next meeting will be booked at the WI Hall.
- **Canada Packers Road** – There was a concern expressed regarding traffic that may be on the Canada Packers Road due to the drill site, causing damage to the roads in the spring. A resident asked if Corridor would consider bringing it to the attention of the Department of Transportation. *ACTION: Doug Bailey to follow-up with the Department of Transportation.* Doug has followed up with the Department of Transportation, who indicated that they do have higher priority roads to work on first. Repair has since been done on this road.
- **Goshen Snowmobile Club** – A member thanked Corridor for the work done on the trail around the G-36 (Landry) well pad. He wanted to note also that there is a sign missing directing the snowmobiles. *ACTION: Follow-up will be done to get the sign replaced.* This sign has been replaced.
- **Phone Lines to Well Pads** – A resident raised the issue of the phone lines to well pads. These lines are sometimes left in place when drilling on a well pad is completed. Corridor communicated that it has a new IT Manager that is developing a new IT plan, which will take this issue into account.
- **Truck Loads** – A resident asked if trucks carrying pipe for Corridor were only carrying 80% of the possible load. Corridor indicated that this is the case, but agreed to double check with the trucking contractor. *ACTION: Larry Huskins to confirm.*