



SPECIAL POINT OF INTEREST:

- *Corridor is conducting its Annual Emergency Response training in Penobscot in October.*
- *Corridor is conducting two fracs at the Elgin Green Road G-41 well in October/November.*

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Corridor's Safety Slogan

"At work, rest and play: safety first every day."

Corridor News

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Community Liaison Committee

The Community Liaison Committee had the fourth meeting for 2009 on September 8. In attendance were three Corridor representatives, five community members, one Department of Environment member and four guests from the community.

Updates were given on Seismic, Production, Drilling, Completions, Health Safety & Environment (HSE) and Sponsorship.

There was a question asked about the noise and other emissions from the G-48 (Moffett) Well Pad. These were due to the propane fracs conducted at the location.

One committee member asked if the I-39 (Folkins) well pad would be connected to the production system. There are no plans to tie it in this year.

It was noted that there was dust on the gas plant road and a question was asked as to whether Corridor would consider using something other than water for dust control. Corridor's current Environmental Management Plan that was approved by the New Brunswick Department of Environment included a commitment to only use water for dust control. The representative at the meeting from the Department of Environment indicated that there are other approved products. Corridor will investigate other options.

The next meeting will take place on Tuesday November 3 at 7:00 pm at the Penobscot WI Hall. If you have any questions or would like to receive a copy of the minutes, please contact Nancy Secord at 433-3066.

Sponsorship Update

Corridor is pleased to be able to provide assistance to organizations in the community through its Sponsorship Program. Since the last edition of the newsletter, Corridor has provided sponsorship donations to the following groups: Christmas Daddies; Sussex Kiwanis Club; Town of Sussex (Ice Sponsorship Program); Crosswinds Occupational Activity Center; Kidstuff Theatre; and the Kiwanis Nursing Home Inc. There are still a number of applications that are undergoing review. Decisions will be made on these requests in November.

Drilling and Completions Update

Drilling

Corridor is preparing for new drilling activities in 2010. There has been minimal drilling activity over the last several months. One of the large triple drilling rigs, Nabors Rig #86, was shipped back to Alberta in mid-September. This rig was brought to New Brunswick in March of 2007 and drilled almost continuously in the McCully area with 11 new wells in the Penobsquis Valley, as well as the discovery well at the new Caledonia oil field and the Elgin Green Road shale gas well. After some lessons learned, the rig performed admirably in the area with several local crew members working on the rig contributing to this success. Corridor would like to acknowledge the commitment of all the members of the Nabors crew and all other personnel associated with the rig operation during its 2 year tenure in New Brunswick.

The other large triple drilling rig, Nabors Rig #58, is expected to return to drilling operations early in the new year. We are preparing regulatory applications to construct a new well pad on the south side of the Route 2 Trans-Canada Highway. This new well pad will be ac-

cessed via the service road along the south side of the highway and the gravel road used to access the Moffett Hog Farm and Nursery. It is anticipated that the new well pad will be constructed in early December with the rig moved onto location prior to the holiday season. The rig will begin operations in early 2010 with 2 to 3 wells anticipated from this new well pad.

Corridor continues its planning efforts to drill an exploration core hole well near Creek Road, New Brunswick (approximately 20 kilometers north of Penobsquis) using a small core drilling rig, similar to the ones that PCS uses for some of its core holes in the Penobsquis area. Corridor used one of these rigs in Mapleton last fall and we anticipate using this same rig again in Sally's Brook. However, Corridor has decided to postpone the drilling of this core hole until late spring of 2010 to coincide with the ongoing drilling activities in McCully. Corridor is still in land owner negotiations but does anticipate submitting the regulatory applications for this core hole well early in 2010.

Completions

Hydraulic fracture stimulation (fracking) and completions operations in the McCully area have been essentially completed. It was an interesting year with new technology employed using a Liquid Petroleum Gas (LPG) fracking technique for all of the deep sandstone reservoirs. Operations began in late July with the fracking operations being completed near the end of August. All wells have been tied into the production facilities and subsequently cleaned-up through the McCully Gas Plant. Corridor is pleased with the results of this new fracking technology and looks forward to continuing the analysis of these new wells. Also during this timeframe, Corridor used a passive seismic array (listening geophones) to record the noises created deep within the earth during these fracking operations. We appreciate all the patience and understanding of the more than 150 landowners that allowed us to run the seismic recording wires across their property during this busy few weeks in the middle of the summer. The data collected is still being evaluated.

Other ongoing workover operations will include small amounts of work on some of the other wells around the field. These operations with the coiled tubing unit or snubbing unit should not take more than a few days per well pad and are planned for daylight operations. Most of this work has already been completed with some remaining work on the O-76 (Tait) well pad and the L-38 (McPhee) well pad. This work should be completed by mid-November.

Finally, Corridor is very excited about starting a fracking operation on our Elgin Green Road G-41 well (Smith). We are finalizing the plans for this operation that will take place at the end of October and into November. We plan to mobilize the GasFrac crews to the well pad in late October for approximately one week to do 2 frac jobs on this well. Upon completion of the fracking operation, the well will be cleaned out and tested. Since the well is not connected to a pipeline system at this point in time, the well will be tested by sending the gas to a flare stack. This testing will likely take place intermittently over several weeks with the potential for several well shut-in periods to gather pressure data, commingled with brief flowing and flaring periods. Since this is an exploration well, future work on this well will be communicated in upcoming newsletters and press releases once we evaluate the results of the fracking operation.

Seismic Activity Update

There were no seismic activities during this period, other than the micro seismic reported in the Completions Update.

Production Update

Plant Operations

Plant and field operations

- The annual maintenance was completed successfully during a shut down from September 14 to 17 with no safety or environmental incidents.
- The gas plant and production facilities operated normally over the past two months.
- Production testing of new wells on the G48 (Moffett) well pad has been completed.
- Work is proceeding on a number of gas plant process enhancements.
- Expansion of the Corridor Penobsquis office is under way.

McCully Expansion

- The G48 well pad expansion is complete and in operation. Final clean up and fencing will occur during November.
- Construction of the pipeline to the I-39 (Folkins) well pad has been deferred until the 2010 or 2011 time frame.

Safety and Environment

Since the last edition of the newsletter, Corridor has reviewed its corporate Health & Safety Manual and is in the process of updating several procedures in the interest of continuous improvement. Training on Corridor's Health, Safety and Environmental Manuals continues with staff. Corridor is currently planning its annual Emergency Response training and table top exercise with the First Responders which will take place in Penobsquis at the end of October. Representation is expected from the local fire departments, police, ambulance, Town of Sussex, Potash Corporation of Saskatchewan, and Department of Natural Resources. This session will be facilitated by the Emergency Measures Organization and Corridor. Emergency Response training and a table top exercise is also planned for Corridor's corporate staff in Halifax in November. In support of operations, the QHSE Department is undertaking an environmental evaluation of the proposed new well pad location referenced in the Drilling Update. The QHSE Department is also providing support for the upcoming fracture stimulation program at the Elgin Green Road G-41 well.

In September, the following incidents occurred at the G-48 (Moffett) well pad: a 50 liter accidental release of 80% water/20 % methanol solution; a First Aid where a completions contractor was struck with a wrench/snipe; and a First Aid where a completions contractor sprained an ankle. These incidents were investigated and corrective actions implemented where appropriate. In late October, Corridor was notified by the 24 Hour Emergency Hotline of an odour of mercaptan/natural gas near the McCully Gas Processing Facility and immediately investigated the potential source of the reported information. The odour was believed to have been caused by the flare stack at the gas plant which was operating without the flame for about an hour. It was believed that the wind had extinguished the flame in the flare stack and the "auto igniter", which under normal operating conditions would have reignited the flame, was down for repair and not functioning. The flare stack was manually reignited and the condition was monitored by several Corridor employees. The source of the odour was determined to be eliminated. At no point was there any safety concern to the public. This incident was reported to the New Brunswick Department of Environment.

Upcoming Activities

- The next newsletter will be published on December 31st, 2009.
- The next meeting of the Community Liaison Committee is scheduled for November 3, 2009 from 7:00-8:00 PM at the Penobsquis WI Hall.
- The next McCully Joint Health and Safety Committee meeting is scheduled from 11:00 AM to 1:00 PM on November 10, 2009, at the Timberland Motel.

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We want to hear from you!

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Corridor Resources is a Halifax, Nova Scotia based company focused on exploring and developing natural gas resources in the McCully Field and surrounding areas of southern New Brunswick. The Company has been producing natural gas from the McCully Field to markets through the M&NP pipeline since June 28th, 2007. Corridor also has a number of potentially high impact exploration projects planned in New Brunswick and elsewhere in eastern Canada with a total of 1.9 million net acres under license.

Corridor Mission Statement

Corridor Resources is focused on the exploration and development of oil and gas in eastern Canada. Corridor is dedicated to safe work practices, environmentally responsible operations and the highest level of business integrity. With a strong leadership team supported by devoted employees and contractors, Corridor aims to create shareholder value by expanding its reserves and production while fostering successful partnerships in the communities in which we live and work.