

## SPECIAL POINTS OF INTEREST:

- *Corridor's Board of Directors approved a Community Sponsorship Program. Check Corridor's website in March for more information.*

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## Community Liaison Committee

The Community Liaison Committee held its first meeting for 2008 on February 25<sup>th</sup>. There were seven community members, four Corridor representatives and six guests in attendance. The minutes from the November 17<sup>th</sup>, 2007 meeting were reviewed. Corridor's Community Sponsorship Program was discussed. The Board of Directors approved the Program, that focuses on advancing education, building healthy communities, supporting arts, culture and recreation, and fulfilling environmental and social needs. Organizations requesting sponsorship will be required to fill out an application form and follow the process outlined in the Program. Application forms may be obtained from the Corridor Resources office or on the Corridor website, [www.corridor.ca](http://www.corridor.ca).

Landowners in New Brunswick with operating well pads on their properties will note a change in their property tax bills this year, given the assessments will include the Corridor facilities on the leased land. Corridor will pay the portion of the taxes associated with its facilities. Once the landowner has provided Service New Brunswick with written direction to send the property tax information to Corridor, Corridor will make arrangements to pay the taxes associated with their facilities directly to the Province. Unfortunately, the tax system in New Brunswick specifies that the taxes for improvements on leased property go to the property owner, not the lessee, so the bills cannot be sent directly to Corridor.

Activity updates were given on the expansion project, production and upcoming drilling, completions and

seismic programs.

Committee members asked questions about the flaring taking place at the gas plant, the L-38 (McPhee) well pad and the F-58 (Waddy) well pad. Corridor explained that flaring at the gas plant was due to the overhead compressor being out of service but parts are on order for the equipment. Flaring at the F-58 well pad took place because the well pad was not yet tied into production. The flaring at L-38 well pad took longer than expected due to Corridor's efforts to better understand the wells. Corridor also noted that it is pre-fabricating equipment to reduce the time between completions at a well pad and the wells being tied into production, thereby reducing the flaring at these well pads.

The Committee also discussed instances of trucks not obeying stop signs, the condition of the Canada Packers Road (pot holes) and the installation of a Private Road sign on the Waddy Road.

In the next meeting, one of the items that will be discussed is the membership and chairmanship of the Committee. It was noted that the New Brunswick Department of Environment has expressed interest in attending the meetings and will send a representative to future meetings.

The next Committee meeting will take place on Monday, March 17<sup>th</sup>, 2008 at 7 pm at the Penobsquis Fire Hall. If you have any questions or would like to receive a copy of the minutes, please contact Nancy Secord at

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## Paul Hopkins Retirement



Paul J. Hopkins retired as Vice President and Director of Corridor Resources effective January 18<sup>th</sup>, 2008. Paul was one of the founders of Corridor and made considerable contributions to its growth and development. The Board of Directors and all of Corridor's staff express gratitude to Paul for his contributions and extend best wishes for his retirement.

Paul extends a sincere thank you to all of the local landowners, residents and contractors with whom he has worked and gotten to know since Corridor became active in the Penobsquis area.

## Seismic Activity Update

Corridor is planning to conduct seismic operations in the 2008 field season. Although only preliminary planning has taken place to date, the following information provides highlights of the upcoming program:

- Small 3D with an area of about 25km<sup>2</sup> (roughly 4km NE-SW and 6km NW-SE)
- Located east of Dunsinane Road and will overlap with the 3D recorded in that area in 2006; and
- Field operations will likely start in May-June and finish in August-September.

## Drilling and Completions Update

### Drilling

Drilling operations continue in the McCully area with two large triple drilling rigs operating for Corridor. Nabors Rig #86, which has been in the valley for almost a year, has completed drilling on the O-76 (Tait) well pad and was moved just prior to Christmas, to the new G-48 (Moffett) well pad behind the poultry barns off the Canada Packers Road. The rig will remain on this well pad to drill 3 to 4 wells. Drilling is anticipated to be completed by mid-June.

Nabors Rig #58 is drilling the deep exploration well, E-67, from the expansion on the F-67 (Vanderlaan) well pad. The well was originally planned for 60 to 90 days but, due to drilling difficulties, the rig is planned to be on this pad until mid to late March. This well is still planned to test the Dawson Settlement below the main Hiram Brook producing reservoir. The underbalance portion of the well was unsuccessful so Corridor elected to return to conventional drilling for the remainder of the well. This will mean minimal flaring for the remainder of the drilling of the well. Once

the well is completed, the rig will be moved to a different well pad, either on an expansion of the N-57 (McQuinn) well pad or on the top of Dunsinane Hill, at a new I-39 (Folkins) well pad once regulatory approval has been obtained.

The F-67 well pad expansion will be reduced in size after the drilling has been completed in early spring (weather dependent) and the rig has moved.

The new well pad on the top of Dunsinane Hill will be accessed from a new road off the Marin Farm Road alongside the divided highway off of the existing service road. An existing woods road will be upgraded and extended to the new well pad on the north side of the Kennebecasis river. This well pad is planned to be built as soon as regulatory approvals are obtained. An additional well pad expansion is planned for the D-48 (Moffett) well pad in the coming year.

### Completions

The 2007 completions and frac program has been completed in the McCully field. The frac equipment left in early January of 2008 and the final round of well testing was completed late in February. Additional well testing will be performed in the spring in conjunction with production logging but most of the testing will be performed in-line so minimal flaring will occur. The 2008 completion and frac program will commence in early June on the G-48 (Moffett) well pad behind the poultry barns.

Additional exploration wells are currently in the planning stages for the Penobsquis and Elgin area and future updates on the completion and fracking at these wells will be provided once more details are known.



Frac equipment—aerial picture from the Nabors Rig #86 derrick on the O-76 well pad

# Production Update

## Plant Operations

- Plant operations were normal during December and January and facility uptime was 99.9%.

## McCully Phase 2 Clean-Up

- Right of way clean up and restoration is substantially complete.
- Catwalks, painting and other minor items in the plant are in progress.

## McCully Expansion Project

- The O-76 (Tait) well pad went into production with two wells the first week of February. The third well on this pad will go into production in mid-March.
- The L-38 (McPhee) well pad should go into production the first week in March.
- The F-58 (Waddy) well pad should go into production in mid-March.
- The I-67 well on the N-57 (McQuinn) well pad should go into production the third week of March.
- A-67 and P-66 (McCully 1 and 2) are in the process of being connected to the gathering system.

# Safety and Environment

In January and February of 2008, the QHSE Department was busy supporting Corridor's field operations but also working with a consultant to finalize its corporate HSE management system programs and manuals. Kirk Fraser, Corridor's field safety representative, continued to perform weekly visits and inspections of all of the sites where Corridor had activity taking place in New Brunswick.

On January 24<sup>th</sup>, Ryan Energy, one of Corridor's contractors, led a Safety Stand Down at both of Corridor's drilling sites in New Brunswick. Corridor, Nabors and other contractor representatives participated in the Safety Stand Down. Safety Stand Down Week originated in Alberta in 2002 and it is a designated time for CEOs, executives, and senior managers to talk about safety issues directly with frontline workers. The 2008 theme was "**You need a break. Take five, stay alive.**" Ryan Energy registered for the 2008 program and visited the Corridor sites in New Brunswick where they had representatives working. This allowed for open communication on safety issues between management and workers at the two rig sites.

Corridor is in the process of forming a Joint Health and Safety Committee (JHSC) for its Drilling and Completions activities in New Brunswick. This is a legislative requirement, given the Drilling and Completions activities are considered a medium sized project by the WHSCC. A JHSC orientation session was held on February 14<sup>th</sup> at the Timberland Motel for Corridor representatives and contractors working on Corridor's sites. It was facili-

tated by Kirk Fraser. The WHSCC provided a one hour overview of the JHSC requirements and then the group reviewed a draft Terms of Reference for the Committee, discussed its formation and made nominations for employer and worker co-chairs. The next meeting is scheduled for 11am on March 12 at the Timberland Motel.

In December 2007, Corridor received a letter report from Fundy Engineering with the results of the Sound Monitoring Study that was performed between October 29, 2007, and December 7, 2007 for the fracing and testing phases at the L-38 Well Pad. This was part of a larger study to monitor the sound from drilling and completions activities on the L-38 well pad. The final report for the complete study was updated in February 2008.

An inspection of the M-66 well pad was performed on February 18<sup>th</sup>. This inspection was used to identify any issues on the well pad that require action but also to further develop the template for performing regular production well pad inspections.

Since the last issuance of the newsletter, three incidents occurred as part of Corridor's activities in New Brunswick. These included: a restricted work case - bruised elbow resulting from a slip; a lost time incident (one day) - headache from a cut to the head; and an accidental release of gear oil. Both of the injuries were sustained by contractors. All of these incidents were investigated by Corridor and its contractors and root causes and corrective actions identified and implemented.

# Schedule of Planned Activities

## Drilling

- Nabors Rig #86 – The rig is now located on the G-48 (Moffett) well pad. The rig is drilling the second of several wells on this well pad and will remain there until at least mid-June of 2008.
- New Well Pads – 1) expansion of the N-57 (McQuinn) well pad; 2) expansion of the D-48 (Moffett) well pad; and 3) new well pad at the top of Dunsinane Hill, I-39 (Folkins).
- Rig #58 - The rig will likely move to expansion on the N-57 well pad once drilling is complete on the F-67 well pad.

## Completions

- Well testing will be performed in the spring in conjunction with production logging but minimal flaring will occur given much of the testing will take place in-line.
- After completion of drilling on the G-48 (Moffett) well pad, fracing will commence on this well pad. It is anticipated to be completed by the end of the summer. The frac equipment will then move to the next available well pad.
- The 2008 frac program will take place in two phases—June/July and mid-September/October.

# Upcoming Activities

- The next newsletter will be published April 30<sup>th</sup>, 2008.
- The next meeting of the Community Liaison Committee is March 17<sup>th</sup>, 7 PM at the Penobscis Fire Hall.
- Corridor will post details of its Community Sponsorship Program on its website in March.

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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 28<sup>th</sup>, 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 1.7 million net acres under license.