

File No. OG 003-06

Lorne F. G. Carter )  
Deputy Mining and Lands Commissioner )

Friday, the 9th, day  
of February, 2007.

### **THE OIL, GAS AND SALT RESOURCES ACT**

#### **IN THE MATTER OF**

An application under clause 8(1)(a) of the **Oil, Gas and Salt Resources Act**, R.S.O. 1990, c. P.12, as amended by 1994, c. 27, s. 131; 1996 c. 30, s. 56-70; 1998, c. 15, Schedule E, s. 24; 1999, c. 12, Schedule N, s. 5; 2000, c. 26, Schedule L, s. 8; 2001, c. 9, Schedule K, s. 4; 2002, c. 18, Schedule L, s. 6; 2006, c. 19, Schedule P, s. 4., for an Order, by the Commissioner, that the oil or gas interests within a spacing unit be joined for the purposes of drilling or operating an oil or gas well (the “**Order**”);

#### **AND IN THE MATTER OF**

An application pursuant to Ontario Regulations 245/97, amended to O. Reg. 75/04 at clauses 8(3)(a) and (b) wherein; No person shall, drill a well in a spacing unit that has not been pooled; produce oil or gas from a spacing unit that has not been pooled, and at subsections 14(3) and 14(4) whereby the application for an order to allow pooling within a spacing unit shall include specific information to the extent that it is applicable to the issues being determined (the “**Regulation**”);

#### **AND IN THE MATTER OF**

All and singular those parcels, lots or tracts of land and premises, comprised of 150 acres more or less, lying within Moore 5-13-III, Spacing Order 2005-8, dated the 13th, day of December, 2005, so designated by the Ministry of Natural Resources (“MNR”) and comprised of the South three-quarters of the East Half of Lot 13, being Tracts #4, #5 and #8, and the South three-quarters of the West Half of Lot 12, being Tracts #3, #6 and #7, all within Concession III, Geographic Township of Moore, Township of St. Clair, County of Lambton, Province of Ontario, introduced as an exhibit for this Application, and further described on Schedule “A” attached hereto and forming part of this Order (the “Spacing Unit”);

**AND IN THE MATTER OF**

All and singular those certain parcels, lots or tracts of land and premises, situate lying and being within the subject Spacing Unit, belonging to David O' Neil Enterprises Limited (Ontario Corp. Number 1062011), whereby said lands comprise approximately 67.6160 acres, lying within Tracts #3, #6 and part of #7, within Lot 12, Concession III, Geographic Township of Moore, Township of St. Clair, County of Lambton, Province of Ontario.

**B E T W E E N:**

PORTRUSH PETROLEUM CORPORATION  
APPLICANT

- and -

DAVID O'NEILL ENTERPRISES LIMITED  
(formerly 1062011 Ontario Limited)

[such landowner who has *not* entered into a  
Petroleum and Natural Gas Lease and Grant in  
favour of the Applicant ]

RESPONDENTS OF THE FIRST PART

- and -

GREGORY BRUCE BAKER, MICHELLE  
LEE BAKER, LLOYD GEORGE YOUNG,  
ANNA LILLIE YOUNG, KEITH LLOYD  
YOUNG AND GAYLE YOUNG

[such landowner(s) who have signed into a  
Petroleum and Natural Gas Lease(s) and  
Grant(s) in favour of the Applicant]

RESPONDENTS OF THE SECOND PART

**AND IN THE MATTER OF**

Clause 14(3) (h) of O. Reg. 245/97, amended to O. Reg. 75/04 providing that the relationship between the unleased landowners, Respondents of the First Part, and the initial unit operator, the Applicant, be governed by a Petroleum and Natural Gas Lease and Grant attached hereto and forming part of this Order under Schedule "E";

**AND IN THE MATTER OF**

Service of the Order shall include notice on all Lessors (landowners) within both; executed and ordered aforesaid Petroleum and Natural Gas Lease(s) and Grant(s) in favour of the Lessee (initial unit operator) that the various habendum and pooling clauses each contained therein are being exercised by the Lessee;

**AND IN THE MATTER OF**

In the alternative, an Application for an Order which joins the interests of the Respondents with the interests of the Applicant within the spacing unit pursuant to clause 8(1)(a) of the **Oil, Gas and Salt Resources Act**, R.S.O 1990, c.P.12, as amended, on terms and conditions specified and filed with the Application and forming the Order herein.

**AMENDED ORDER**

**WHEREAS** the Order in this matter was issued on the 5th day of February, 2007, and contained a number of errors in both the Order and the Reasons sections;

**1. IT IS ORDERED** that each of the second line of paragraph 3, the third line of paragraph 4 and the second line of paragraph 9, all found on page 5 of the tribunal's Order, dated the 5th day of February, 2007, be amended by deleting the words "Portrush Petroleum Inc." and replacing them with "Portrush Petroleum Corporation".

**2. IT IS FURTHER ORDERED** that second and third lines of paragraph 7, found on page 5 of the tribunal's Order, dated the 5th day of February, 2007, be amended by deleting the words "and the completion date of the Petroleum and Natural Gas Lease and Grant and its commencement shall share the same date".

**3. IT IS FURTHER ORDERED** that paragraph 8 found on page 5 of the tribunal's Order, dated the 5th day of February, 2007, be and is hereby rescinded and replaced with the following:

**8. IT IS FURTHER ORDERED** that the duration, *interalia*, of the Lease/Grant (Schedule "E") between David O'Neil Enterprises Limited and Portrush Petroleum Corporation shall be for a primary term of three years, so affixed in the Habendum clause therein and continuing until Friday, the 5th day of February, 2010 and continuing so long thereafter as operations (as defined in the said lease/Grant) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than ninety (90) consecutive days all as set forth in the said Habendum clause".

**4. IT IS FURTHER ORDERED** that the third line of the first paragraph found on page seven of the Reasons section of the tribunal's Order, dated the 5th day of February, 2007, be amended by deleting the words "of hydro-bearing rock" and replacing them with "of hydrocarbon bearing rock".

**5. IT IS FURTHER ORDERED** that the third line of the second paragraph found on page seven of the Reasons section of the tribunal's Order, dated the 5th day of February, 2007, be amended by deleting the words "of 200,000/300,000 barrels of oil per day" and replacing them with "of 200,000/300,000 probable cumulative barrels of oil".

**6. IT IS FURTHER ORDERED** that the fifth line of the second paragraph found on page eight of the Reasons section of the tribunal's Order, dated the 5th day of February, 2007, be amended by deleting the words "south east" and replacing them with "south west".

**7. IT IS FURTHER ORDERED** that the eighth line of the fourth paragraph found on page eleven of the Reasons section of the tribunal's Order, dated the 5th day of February, 2007, be amended by deleting the word "initialization" and replacing it with "unitization".

**DATED** this 9th day of February, 2007.

Original signed by Lorne F.G. Carter

Lorne F.G. Carter  
Deputy Mining and Lands Commissioner