

January 8, 2010

5852-8285-59240-15

Melissa Sandbeck, EIT
Production Engineer
EOG Resources Canada Inc.
1300, 700 – 9th Avenue S.W.
Calgary AB T2P 3V4

Dear Ms. Sandbeck:

**RE: EXPERIMENTAL SCHEME APPROVAL (AMENDMENT #3)
MAXHAMISH AREA – HORN RIVER FORMATION**

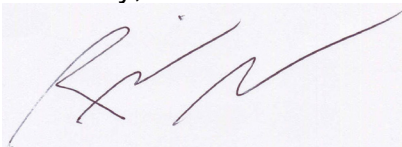
The Commission has reviewed your application dated December 10, 2009 requesting an amendment to the experimental scheme approval for the Horn River formation in the Maxhamish area in northeast British Columbia.

EOG has not requested any additional land area, but rather has requested a modification to the configuration of the experimental scheme area. This modification will accommodate a six well pad proposed for the 2010 drilling season.

Attached is Approval 06-15-004 (Amendment #3) for the application granted under section 100 of the Petroleum and Natural Gas Act.

If you have any questions please contact the undersigned at (250) 419-4421.

Sincerely,



Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachments

APPROVAL 06-15-004 (Amendment #3)

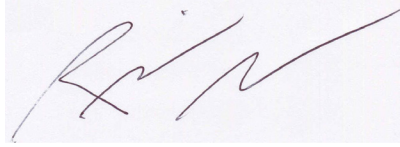
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
OIL AND GAS COMMISSION**

IN THE MATTER of the experimental scheme of EOG Resources Canada Inc. (Operator) to test the commercial viability of Horn River shale gas in the Maxhamish area of NE British Columbia.

NOW THEREFORE, the Commission, pursuant to section 100 of the Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361, hereby orders as follows:

1. The experimental scheme for the exploration and development of Horn River shale gas in the Maxhamish area, as such proposal is described in the application to the Commission received December 10, 2009 is hereby amended, subject to terms and conditions herein contained.
2. The area of the experimental scheme consists of;
94-O-15 Block E – units 71, 81, 91-93
Block F – units 78-80, 88-90, 96-100
Block K – units 6-10, 18-20, 28-30, 38, 39, 48, 49
Block L – units 1-3, 11-13, and 21-23.
3. The gas wells within the scheme area may be produced without individual well allowable restrictions.
4. The requirements of Section 10 of the Drilling and Production Regulation are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved scheme area.
5. The Operator must submit a progress report to the Commission annually. The progress report is due within 60 days after the end of each period and must contain:
 - a) the daily average rate of gas and water produced during each month for each producing well, and for the scheme as a whole,
 - b) the monthly cumulative gas and water production from each producing well, and for the scheme as a whole,
 - c) details of any workover or fracture treatment program done on any of the wells with results of the workovers or fracture treatment,
 - d) an evaluation of bottom hole pressures and any other data collected,
 - e) representative sample analysis of produced gas and water,
 - f) a discussion of the overall performance of the scheme,
 - g) any other information that is considered necessary, in the opinion of the Commission, to evaluate the progress, performance and efficiency of the scheme.
6. The operations of the experimental scheme will be subject to review by the Commission. The Director, Resource Conservation or the Director, Drilling and Production, may issue guidelines regarding the operations of the scheme.

7. The approval or any condition of it may be modified or rescinded, if deemed appropriate.

A handwritten signature in dark ink, appearing to read 'Richard Slocomb', is written over a light blue rectangular background.

Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 8th day of January 2010.