

November 3, 2004

3400-5000-59240-06

OGC - 04311

Bruce Hall, P.Eng.  
Senior Exploitation Engineer  
ARC Resources Ltd.  
Suite 2100, 440 - 2<sup>nd</sup> Avenue SW  
Calgary AB T2P 5E9

Star Project (02)

Dear Mr. Hall:

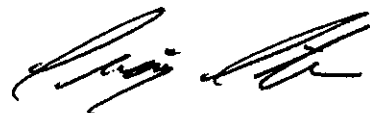
**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1  
DAWSON CREEK - MONTNEY "A" POOL**

The Commission has reviewed your application dated September 30, 2004 requesting a Good Engineering Project (GEP) scheme approval for producing a portion of the Dawson Creek - Montney "A" gas pool.

Attached is a GEP scheme approval for the subject pool. The Approval 02-06-001 (Amendment #1) is hereby granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

Sincerely,



Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

Attachment

Approval Letters to Industry  
GEP, SWD, CONCURRENT PROD,  
PRESSURE MAINTENANCE,  
WATERFLOOD, ETC.

Copy 90

<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59240
<input type="checkbox"/>	Dally
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	P. Attariwala
<input type="checkbox"/>	R. Slocomb
<input type="checkbox"/>	D. Krezanoski

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0291  
Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

**APPROVAL 02-06-001 (AMENDMENT #1)**

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of ARC Resources Ltd. (ARC) for producing a portion of the Dawson Creek Montney "A" pool without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends the GEP scheme of ARC for drilling wells without spacing and target restrictions, as such scheme is described in

*an Application from ARC to the Commission dated September 30, 2004.*

The scheme approval of March 12, 2002, is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of:

Twp 79, Rge 14: Sections 2-10, 15-17, 18-22, 27-34 and

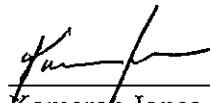
Twp 79, Rge 15: Sections 1, 12-14, 23-27 and 34-36.

Twp 80, Rge 15: Sections 1 and 2.

2. 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.

3. The gas wells within the scheme area may be produced without individual well allowable restrictions.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



Kameron Jones  
Deputy Commissioner  
Oil and Gas Commission

DATED AT the City of Fort St. John, in the Province of British Columbia, this 5<sup>th</sup> day of November 2004.