

April 22, 2010

3400-3030-59240-06

Jennifer Oh, P.Eng Exploitation Engineer ARC Resources Ltd. 3200, 450 – 1st St SW Calgary AB T2P 5H1

Dear Ms. Oh:

RE: GOOD ENGINEERING PRACTICE APPROVAL DAWSON CREEK – ROCK CREEK "A" POOL

Commission staff have reviewed the application, dated March 15, 2010, prepared by Fekete Associates Inc. on behalf of ARC Resources Ltd., requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Heritage area – Rock Creek formation.

The Commission designates the area of application as the Dawson Creek field – Rock Creek "A" pool. The Heritage name is reserved as a regional field for only the Montney formation.

Though a producing zone in Alberta, this is the first Rock Creek pool identified in British Columbia, the reservoir at this depositional edge of generally poorer quality.

Approval 10-06-019 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. No objections were received following notice of the application on the OGC website.

This approval is intended to allow the drilling and production of gas wells without regard to normal spacing and target area restrictions, for maximization of gas recovery.

Should you have any questions, please contact Ron Stefik at (250) 419-4430.

Sincerely,

Richard Slocomb, P. Eng.

Supervisor, Reservoir Engineering

Resource Conservation

Attachment

cc: Brian Ohlinger, Fekete Associates Inc.

APPROVAL 10-06-019

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of ARC Resources Ltd. (ARC) for producing the Dawson Creek field Rock Creek "A" gas 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 approves the GEP scheme of ARC for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Fekete Associates Inc. to the Commission dated March 15, 2010, and related submissions.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

Twp 078 Rge 14 W6M Sections 29. 31 - 33 Twp 079 Rge 14 W6M Section 4.

- 2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
- 3. The gas wells within the project area may be produced without individual well allowable restrictions.
- 4. This approval may be modified or rescinded at a later date if deemed appropriate.

Richard Slocomb

Supervisor, Reservoir Engineering

Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 23rd day of April 2010.