



OIL AND GAS COMMISSION

February 3, 2009

9021-5000-59240-06

ARC Petroleum Inc.
c/o Brian Ohlinger
Project Technologist
Fekete Associates Inc.
2000, 540 – 5 Avenue S.W.
Calgary AB T2P 0M2

Dear Mr. Ohlinger:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #2
HERITAGE – MONTNEY “A” POOL**

Commission staff have reviewed your application (dated December 10, 2008), on behalf of ARC Petroleum Inc., requesting a Good Engineering Practice (GEP) scheme amendment for producing gas from a portion of the Heritage – Montney “A” pool.

The Approval 02-06-001 (Amendment #2) is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells within the GEP area for maximization of gas recovery.

An objection from Monterey Exploration Ltd was received January 6, 2009 but was subsequently withdrawn. There were no other objections to the application during the posting to the OGC website.

Should you have any questions, please contact the undersigned at (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

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

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

Attachment

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 02-06-001 (AMENDMENT #2)

**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 Petroleum Inc. (ARC) for producing gas from a portion of the Heritage – Montney “A” gas pool without spacing, target and production restrictions.

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

Applications on behalf of ARC to the Commission dated February 11, 2002, September 30, 2004 and December 10, 2008.

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

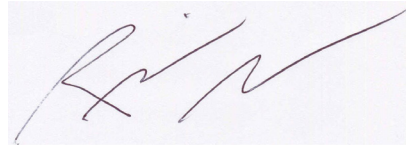
1. The area of the project shall consist of:

- Twp 78 Rge 14W6M - Sections 17-22, 28-30, 32
- Twp 78 Rge 15W6M - Sections 25, 26, 32-35
- Twp 79 Rge 13W6M - Fractional Sections 17, 20 and Sections 18, 19
- Twp 79 Rge 14W6M - Sections 1-13, 15-22, 24, 26-35
- Twp 79 Rge 15 W6M - Sections 1-15, 17, 20, 22-27, 34-36
- Twp 79 Rge 16W6M - Sections 1-3, 10-12
- Twp 80 Rge 14W6M - Sections 3-5, 7-10, 17
- Twp 80 Rge 15 W6M - Sections 1, 2, 12-15

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, with the exception of the following project boundaries where gas wells may be completed to within **150 m**:

- Twp 78 Rge 14W6M – North Side of Section 28, East Side of Section 32
- Twp 79 Rge 13W6M – South Side of Section 18, North Side of Section 19
- Twp 79 Rge 14W6M – East Side of Sections 1, 12
- Twp 80 Rge 14W6M – North Side of Section 7, West Side of Section 17
- Twp 80 Rge 15 W6M – North and East Side of Section 13, West Side of Section 15

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.

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Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of February 2009.