



May 20, 2010

9021-5000-59240-06

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, AMENDMENT #3
HERITAGE – MONTNEY “A” POOL**

Commission staff have reviewed the application, dated March 26, 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 – Montney formation.


The Commission designates the area of application as the Heritage field – Montney “A” pool.

Approval 02-06-001 (Amendment #3) is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This amendment expands the project area and is intended to allow the drilling and production of gas wells at increased density without regard for normal spacing and target areas for maximization of gas recovery.

No objections were received following notice of the application on the OGC website.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



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

Attachment

cc: Brian Ohlinger, Fekete Associates Inc.

APPROVAL 02-06-001 (AMENDMENT #3)

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 Heritage field Montney "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

Applications on behalf of ARC to the Commission dated February 11, 2002, September 30, 2004, December 10, 2008, and March 26, 2010.

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

1. The area of the project shall consist of:

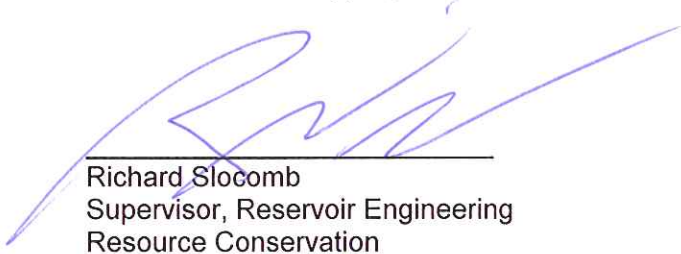
Twp 78 Rge 14W6M - Sections 17-22, 28-35
Twp 78 Rge 15W6M - Sections 25, 26, 32-36
Twp 79 Rge 13W6M - Fractional Sections 17, 20 and Sections 18, 19
Twp 79 Rge 14W6M - Sections 1-24, 26-35
Twp 79 Rge 15 W6M - Sections 1-15, 17, 20, 22-27, 34-36
Twp 79 Rge 16W6M - Sections 1-3, 10-12
Twp 80 Rge 14W6M - Sections 3-5, 7-10, 16, 17, 20, 21, 28
Twp 80 Rge 15 W6M - Sections 1-3, 10-15

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 79 Rge 13W6M – South side of Section 18, North side of Section 19
Twp 79 Rge 14W6M – East side of Sections 1, 12, 26, North side of Sections 24, 31
Twp 79 Rge 15W6M – North side of Sections 9, 20, West side of Sections 15, 20, 27, 34
East side of Section 17
Twp 80 Rge 14W6M – North and South sides of Section 7, West side of Sections 5, 17
Twp 80 Rge 15 W6M – North and East side of Section 13, West side of Section 15
East side of Section 1

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 20th day of May 2010.