

December 10, 2010

9021-5000-59240-06

Jennifer Oh  
ARC Resources Ltd.  
1200, 308 – 4<sup>th</sup> Avenue S.W.  
Calgary AB T2P 0H7

Dear Ms. Oh:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #4  
OTHER THAN NORMAL SPACING ORDER, AMENDMENT #4  
HERITAGE FIELD – MONTNEY “A” POOL**

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The Commission has reviewed your application dated November 18, 2010, requesting amendment of a Good Engineering Practice approval for the Heritage field - Montney formation.

The Commission maps this area within the regional Heritage field Montney “A” pool. Application is intended to extend successful development beyond the original approval area, as gas recovery from this resource benefits from the ability to produce horizontal wells in optimal locations, drilling from central sites. For regulatory purposes, the Commission designates the entire Montney sequence as a single formation, removing commingling as an issue.

As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Order 02-06-001 (Amendment #4) designating Good Engineering Practice, within a portion of the regional Heritage field Montney formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 02-06-001-OTN (Amendment #4) approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

As a Good Engineering Practice special project, the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts.

Should you have any questions, please contact Richard Slocomb at (250) 419-4421 or Kelly Okuszko at (250) 419-4433.

Sincerely,



Alex Ferguson  
Commissioner  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from ARC Resources Ltd. to the Commission dated November 18, 2010 for a Good Engineering Practice project.

**ORDER 02-06-001 (Amendment #4)**

1. Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Heritage field – Montney “A” pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

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



Alex Ferguson  
Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 1<sup>0</sup> day of December 2010.

IN THE MATTER of an application from ARC Resources Ltd. to the Commission dated November 18, 2010 for Other Than Normal Spacing.

**ORDER 02-06-001-OTN (Amendment #4)**

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Heritage field Montney formation within the following area;

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 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:

- a) the target area for a gas well completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area,
- b) a gas well completed outside the specified target area may be subject to an off-target production penalty,
- c) gas wells drilled within the specified project area are not subject to spacing requirements.

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Richard Slocomb  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this        day of December 2010.