



September 12, 2011

9021-5000-59240-06

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

Dear Mr. Melnyk:

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

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The Commission has reviewed your application dated June 28, 2011, requesting 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.

The following Orders are attached;

- 1) Order 11-06-033 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 11-06-033-OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

Should you have any questions, please contact Kelly Okuszko at (250) 419-4433 or Travis Mercure at (250) 419-4448.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Jeakins', is written over a light blue circular stamp.

Paul Jeakins  
Chief Operating Officer  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from ARC Resources Ltd. to the Commission dated June 28, 2011 for a Good Engineering Practice project.

**ORDER 11-06-033**

- 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;

DLS Twp 81 Rge 20 W6M Sections 28, 29, 31, 32

DLS Twp 81 Rge 21 W6M Section 36

DLS Twp 82 Rge 20 W6M Sections 5-8, 18

DLS Twp 82 Rge 21 W6M Section 1.



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Paul Jeakins  
Chief Operating Officer  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this <sup>13<sup>th</sup></sup> day of September 2011.

IN THE MATTER of an application from ARC Resources Ltd. to the Commission dated June 28, 2011 for Other Than Normal Spacing.

**ORDER 11-06-033-OTN**

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

DLS Twp 81 Rge 20 W6M Sections 28, 29, 31, 32  
DLS Twp 81 Rge 21 W6M Section 36  
DLS Twp 82 Rge 20 W6M Sections 5-8, 18  
DLS Twp 82 Rge 21 W6M Section 1.

- 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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Kelly Okuszko  
Supervisor, Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 13<sup>th</sup> day of September 2011.