



February 3, 2009

9021-5000-59240-06

Roy Stadlwieser
Shell Canada Limited
400 - 4th Avenue S.W.
Calgary AB T2P 2H5

Dear Mr. Stadlwieser:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1
HERITAGE – MONTNEY “A” POOL**

Commission staff have reviewed your application, dated December 5, 2008, requesting an amendment to Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the regional Heritage field Montney “A” pool.

The amendment request enlarges and bridges four existing GEP Approvals 04-06-001, 07-06-041, 07-06-046 and 08-06-007, which were issued to Duvernay Oil Partnership, the previous title holder. Consequently the oldest approval will be amended and the others will be rescinded.

Please find attached, Approval 04-06-001 (Amendment #1), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. Furthermore the GEP approvals 07-06-041 (granted November 29, 2007), 07-06-046 (granted January 8, 2008) and 08-06-007 (granted February 7, 2008) are hereby rescinded.

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

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

Sincerely,

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 04-06-001 (AMENDMENT #1)

**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 Shell Canada Limited (Shell) for producing gas from a portion of the regional 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 amends the GEP scheme of Shell, as such scheme is described in

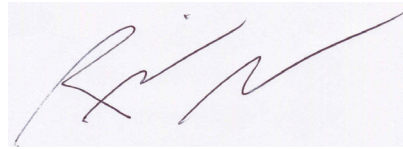
An Application from Shell to the Commission dated December 5, 2008.

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

1. The area of the project shall consist of:

77-19 W6M	Sections – 19 – 22, 28 – 33
77-20 W6M	Sections – 12, 13, 23 – 26, 34 – 36
78-18 W6M	Sections – 5 – 8, 18
78-19 W6M	Sections – 1, 2, 5 – 23, 27 – 33
78-20 W6M	Sections – 1, 2, 23 – 28, 34 – 36
79-18 W6M	Sections – 5 – 10, 15 – 22, 27, 28, 33, 34
79-19 W6M	Sections – 1 – 28, 31, 31 – 35
79-20 W6M	Sections – 1, 2, 10 – 16, 21 – 36
80-18 W6M	Sections – 3, 4, 7, 9, 16 – 21
80-19 W6M	Sections – 1 – 12, 14 – 24
80-20 W6M	Sections – 1 – 4, 8 – 13, 15 – 17, 23, 24

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 3rd day of February 2009.