

August 31, 2009

9021-5000-59240-06

Roy Stadlwieser
Shell Canada Limited
1500, 202 – 6th Avenue S.W.
Calgary AB T2P 2R9

Dear Mr. Stadlwieser:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #2
HERITAGE - MONTNEY "A" POOL

The Commission has reviewed your application dated June 30, 2009 requesting a Good Engineering Practice (GEP) scheme amendment for producing gas from the Montney formation in the Heritage area. The area of application has been designated as part of the regional Heritage - Montney "A" pool by the Commission.

The Approval 04-06-001 (Amendment #2) is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. This amendment expands the project area and is intended to allow the drilling and production of additional gas wells at increased density without regard for normal spacing and target areas, for maximization of gas recovery.

No objections were received following public 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,



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

Attachment

APPROVAL 04-06-001 (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 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

Applications from Shell to the Commission dated December 5, 2008 and June 30, 2009.

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, 15 – 21, 24, 26 – 34
80-19 W6M	Sections – 1 – 25, 36
80-20 W6M	Sections – 1 – 4, 8 – 13, 15 – 17, 23, 24
81-19 W6M	Sections – 2, 12

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.



for Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 31st day of August 2009.