

April 19, 2010

9021-5000-59240-06

Byron Woo  
Shell Canada Limited  
1500, 202 – 6<sup>th</sup> Avenue S.W.  
Calgary AB T2P 2R9

Dear Mr. Woo:

**RE: GOOD ENGINEERING PRACTICE APPROVAL  
HERITAGE - MONTNEY “A” POOL**

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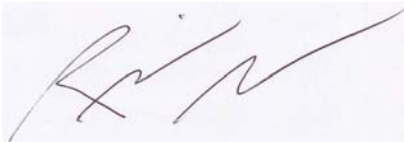
The Commission has reviewed your application dated, March 12, 2010, requesting a Good Engineering Practice (GEP) approval for producing gas from the Montney formation in the Heritage area. The area of application has been designated as part of the regional Heritage - Montney “A” pool by the Commission.

Attached are GEP Approvals 10-06-012 (Shell Project #1) and 10-06-013 (Shell Project #2), hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. These approvals are 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,



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

Attachment

**APPROVAL 10-06-012**

**THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
DRILLING AND PRODUCTION REGULATION  
OIL AND GAS COMMISSION**

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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 approves the GEP scheme of Shell, as such scheme described in

*an Application from Shell to the Commission dated March 12, 2010 and related submissions.*

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

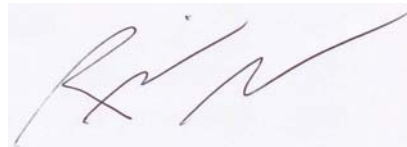
1. The area of the project shall consist of:

78-20 W6M	Sections 7, 18, 19, 30, 31
78-21 W6M	Sections 24 – 27, 34 – 36
79-20 W6M	Section 7
79-21 W6M	Sections 1, 2, 10 – 16, 23 – 26, 35, 36
80-21 W6M	Sections 1 – 8, 17 – 20

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to 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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 19th day of April 2010.

**APPROVAL 10-06-013**

**THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
DRILLING AND PRODUCTION REGULATION  
OIL AND GAS COMMISSION**

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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 approves the GEP scheme of Shell, as such scheme described in

*an Application from Shell to the Commission dated March 12, 2010 and related submissions.*

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

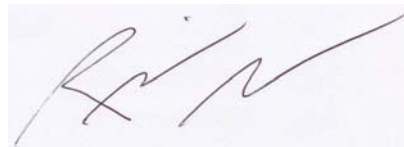
1. The area of the project shall consist of:

80-20 W6M    Sections 22, 26 – 28, 33 – 35  
81-20 W6M    Sections 3 – 5, 8, 9, 16 – 20, 30

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to 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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 19th day of April 2010.