

May 20, 2009

9021-5000-59240-06

Larissa Walker, P.Eng.  
Petrophysical Engineer  
EPW-RTD-ONA - Groundbirch Venture  
Shell Canada Upstream  
1500, 202 - 6th Avenue S.W.  
Calgary AB T2P 2R9

Dear Ms. Walker:

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

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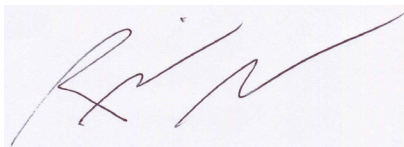
Commission staff have reviewed your application, dated April 3, 2009, requesting Good Engineering Practice (GEP) approval for producing Montney gas in the Sundown field. The area of application partially overlaps a portion of Heritage field Montney “A” pool and is expected to be amalgamated into the regional Heritage pool in the near term.

Attached are GEP Approvals 09-06-014 (Shell Project #1), 09-06-015 (Shell Project #2) and 09-06-016 (Shell Project #3), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the drilling and production of gas wells at increased density without regard for normal spacing and target areas, for maximization of gas recovery.

An objection made by EnCana Corporation May 12, 2009 however the objection was later withdrawn. No other objections were received following public notice of the application on the OGC website.

Should you have any questions, please contact Kelly Okuszko at (250) 952-0325.

Sincerely,



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

Attachment

**APPROVAL 09-06-014**

**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 Upstream (Shell) for producing gas from a portion of the regional Heritage Montney "A" pool without spacing and target 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 is described in

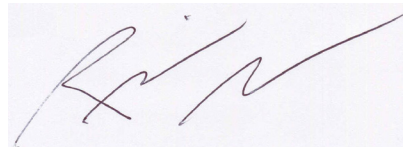
*an Application from Shell to the Commission dated April 3, 2009 and related submissions.*

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

1. The area of the scheme shall consist of;

93-P-10 Block B	Units 2-9, 14-19, 24-29, 34-39, 44-49, 52-59, 62-69, 74-75, 78-79, 84-85, 88-89, 100
93-P-10 Block C	Units 91
93-P-10 Block F	Units 1
93-P-10 Block G	Units 10
93-P-07 Block J	Units 92-99

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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20<sup>th</sup> day of May 2009.

**APPROVAL 09-06-015**

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

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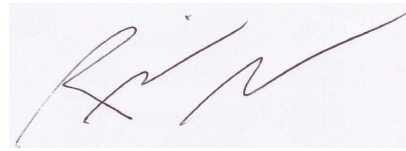
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Shell Canada Upstream (Shell) for producing gas from a portion of the regional Heritage Montney "A" pool without spacing and target restrictions.

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 is described in

*an Application from Shell to the Commission dated April 3, 2009 and related submissions.*

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

1. The area of the scheme shall consist of;  
  
93-P-10 Block A      Units 14-19, 24-29
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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20<sup>th</sup> day of May 2009.

**APPROVAL 09-06-016**

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

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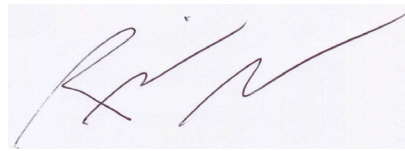
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Shell Canada Upstream (Shell) for producing gas from a portion of the regional Heritage Montney "A" pool without spacing and target restrictions.

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 is described in

*an Application from Shell to the Commission dated April 3, 2009 and related submissions.*

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

1. The area of the scheme shall consist of;  
93-P-07 Block I Units 74-75, 84-85
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.



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Richard Slocomb  
Supervisor, Reservoir Engineering  
Resource Conservation  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20<sup>th</sup> day of May 2009.