



May 20, 2010

9021-5000-59240-06

Usha Ramanujam
Development Technologist
Talisman Energy Inc.
3400, 888-3rd Street S.W.
Calgary AB T2P 5C5

Dear Ms. Ramanujam:

RE: GOOD ENGINEERING PRACTICE APPROVAL – AMENDMENT #1
HERITAGE FIELD – MONTNEY FORMATION

Commission staff received an application from Fekete Associates Inc, on behalf of ARC Petroleum Inc., dated March 26, 2010, requesting an amendment to ARC's Good Engineering Practice (GEP) scheme (Approval 02-06-001) for producing gas from the Montney formation in the Heritage area.

Within the application, the following sections are included in the area of application:

Twp 78 Rge 14 W6M: Sections 33, 34, 35.

These sections are currently included in Talisman's Heritage Montney Approval 09-06-011.

After referencing the Petroleum Titles database, it was confirmed that the petroleum and natural gas rights for sections above are now held by ARC Petroleum Inc. As such, the Commission has amended Talisman's GEP to reflect the change.

Attached is Approval 09-06-011 (Amendment #1), granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*.

Should you have any questions, please contact the undersigned at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Richard Slocomb'.

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

Attachment

APPROVAL 09-06-011 (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 Talisman Energy Inc. (Talisman) for producing a portion of the 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 amends the GEP scheme of Talisman as such scheme is described in

Applications from Talisman to the Commission dated November 25, 2008, 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;
Twp 78 Rge 13 W6M Fractional Section 31
Twp 79 Rge 13 W6M Fractional Sections 5, 8 and Sections 6, 7.
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 150 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
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of May 2010.