

April 25, 2019

Enforcement File: 2019-030 FSJ

ARC Resources Ltd. Suite 1200, 308 4th Ave SW Calgary, AB T2P 0H7

Attention: Mr. Cory Beliveau, Manager of Health, Safety, Environment and Regulatory

RE: Warning: Fail To Comply With Condition of Waste Discharge Permit PA-18359

Dear Mr. Beliveau,

ARC Resources Ltd. (ARC) was issued waste discharge permit PA-18359(the Permit) on September 7, 2007 to discharge waste from a Gas Compressor Station located at 1-34-79-14W6M(the Site).

Section 2.1 authorizes the discharge of air contaminants from three (3) Compressor Drive Units. On July 25, 2018 the BC Oil and Gas Commission received confirmation of a fourth Compressor Drive Unit at the Site. This fourth Compressor Drive Unit was not authorized under the Permit and ARC has subsequently applied to amend the Permit to include the fourth compressor driver.

Given the circumstances, ARC is hereby issued a warning for the following:

ARC, on or about July 25, 2018 at or near Dawson Creek, in the Province of British Columbia, did fail to comply with the condition of a permit contrary to Section 120(6) of the Environmental Management Act.

If ARC has any questions about this matter please feel free to contact the undersigned.

Sincerely,

<original signed by>

Manager, Enforcement Oil and Commission