

November 5, 2012

3400-3030-59240-06

Chris Haubrich, P.Eng.  
Exploitation Engineer  
ARC Resources Ltd.  
1200, 308– 4<sup>th</sup> Avenue S.W.  
Calgary AB T2P 0H7

Dear Mr. Haubrich:

**RE: GOOD ENGINEERING PRACTICE (GEP) SPECIAL PROJECT, AMENDMENT #1  
OTHER THAN NORMAL SPACING ORDER  
DAWSON CREEK FIELD - ROCK CREEK "A" POOL**

The Commission has reviewed your application dated June 13, 2011, and supplemental information dated August 26, 2011, requesting the amendment to a Good Engineering Practice approval granted April 22, 2010 for the subject pool.

Gas recovery from this resource will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites.

The following Orders are attached;

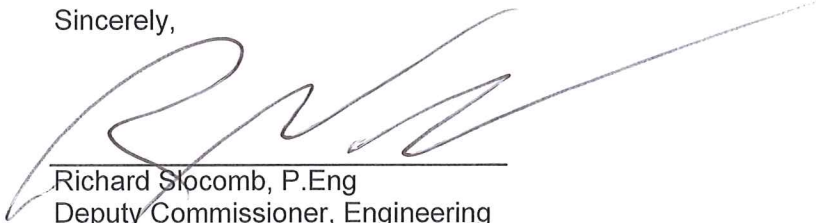
- 1) Order 10-06-019 Amendment #1 designating Good Engineering Practice within portions of the Dawson Creek fields Rock Creek formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 10-06-019-OTN Amendment #1 approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject pool and area.

As a Good Engineering Practice special project, the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts. No objections were received following notice of application on the OGC website.

The approved area includes locations of planned operations for 2012 and 2013. Further amendments incorporating additional gas spacing areas may be requested once supported by sufficient additional development information.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Gaucher at (250) 419-4482.

Sincerely,



Richard Slocomb, P.Eng.  
Deputy Commissioner, Engineering  
Oil and Gas Commission

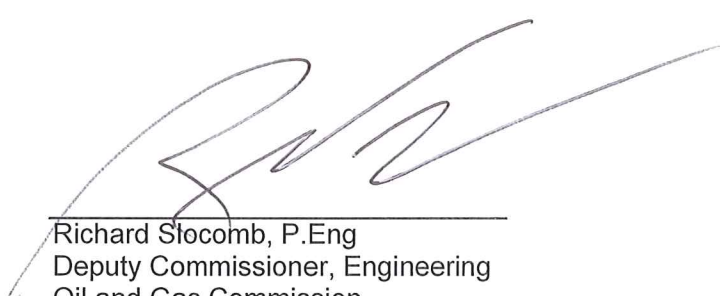
Attachments

IN THE MATTER of an application from ARC Resources Ltd. to the Oil and Gas Commission dated June 13, 2011 for an Amendment of Good Engineering Practice project.

**ORDER 10-06-019 Amendment #1**

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Dawson Creek field – Rock Creek formation is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

78-14W6M Sections 28, 29, 31 – 33  
79-14W6M Sections 3 - 5, 10, 11, 14, 15.



---

Richard Stocomb, P.Eng  
Deputy Commissioner, Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 5<sup>th</sup> day of November 2012.

IN THE MATTER of an application from ARC Resources Ltd. to the Oil and Gas Commission dated June 13, 2011 for an Amendment of Other Than Normal Spacing.

**ORDER 10-06-019-OTN Amendment #1**

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Dawson Creek fields – Rock Creek formation within the following area;

78-14W6M Sections 28, 29, 31 – 33  
79-14W6M Sections 3 - 5, 10, 11, 14, 15.

2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:

- a) the target area for a gas wells completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area,
- b) a gas well completed outside the specified target area may be subject to an off-target production penalty,
- c) gas wells drilled within the specified project area are not subject to spacing requirements.



---

Ron Stefik, EngL  
A/Supervisor,  
Reservoir Engineering  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 5<sup>th</sup> day of November 2012.