



November 1, 2013

9021-5000-59240-06

Rob Zinselmeyer, P.Eng.
Senior Exploitation Engineer
ARC Resources Ltd.
1200, 308– 4th Avenue S.W.
Calgary AB T2P 0H7

Dear Mr. Zinselmeyer:

**RE: GOOD ENGINEERING PRACTICE (GEP) SPECIAL PROJECT
HERITAGE FIELD - MONTNEY "A" POOL**

The Commission has reviewed your request dated October 31, 2013, recommending a change in location of the trial and equivalent wells as stipulated in Special Project GEP Approval 13-06-001. The Commission maps the area of Approval as an oil resource within the regional Heritage field – Montney "A" unconventional gas pool. The unique GEP approval for this tight oil resource did not contain Daily Oil Allowable limits but instead stipulated a requirement for a rate-limited trial well with a rate-unlimited equivalent well. In a letter dated March 26, 2013, ARC submitted suggestions for the trial well (B12-16-81-17 WA 28728) and the equivalent well (12-16-81-17 WA 28726) based on their belief these would be comparable wells once completed.

However, the recently submitted flow test data indicates the suggested wells differ significantly in their initial production rates. Greater similarity exists between the newly recommended trial well (E12-16-81-17 WA 28731) and equivalent well (G12-16-81-17 WA 28733) which will likely provide a better comparison.

This change in trial and equivalent wells continues to meet condition 3(c) of Order 13-06-001 dated February 28, 2013 in that the initially suggested wells were identified prior to the deadline of March 31, 2013 and are now replaced with more suitable test subjects.

The Commission supports your proposal for a change in trial and equivalent wells. Continued data collection and analysis will contribute to developing knowledge of this distinctive resource. The Commission appreciates your effort in ensuring the intent of the GEP test is realized.

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

Sincerely,

A handwritten signature in purple ink, appearing to read "Ron Stefik", written over a horizontal line.

Ron Stefik, Eng. L.
Supervisor, Reservoir Engineering
Oil and Gas Commission