

June 17, 2009

3425-6200-59240-16

Jeff Bezanson, P.Eng.
ARC Resources Ltd.
2100, 440 – 2nd Avenue S.W.
Calgary, AB T2P 5E9

Dear Mr. Bezanson:

**RE: WATER INJECTIVITY TEST
ARC DOE 5-35-79-14W6M (WA# 25345); BELLOY FORMATION**

The Commission has reviewed your application, dated June 16, 2009, requesting permission to conduct a temporary injectivity test into the Belloy formation of the subject well.

The subject well was rig released April 14, 2009. Testing of the subject zone, including an injection test, is required to determine suitability for disposal well operation. Circumstantial evidence would indicate that this location is prospective for acid gas disposal in the Belloy formation, though the Commission does have concerns over whether acid gas injection will impact access to the lower Montney gas resources in the area. ARC Resources should address these concerns in their formal application for acid gas disposal.

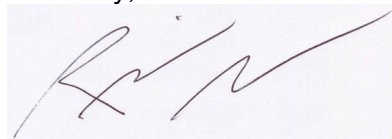
Approval for temporary injectivity testing is hereby granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, subject to the following conditions:

1. The test injection interval must be in the Belloy formation.
2. Prior to injection, a production test must be attempted to evaluate hydrocarbon potential.
3. The total volume of injected water must not exceed 200 m³.
4. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.

Prior to injection, please contact the undersigned at (250) 952-0366 if any hydrocarbons are encountered when conducting the production test.

Please note that a notice of an application for acid gas disposal, once received, will be published on the OGC Website. Formal approval may be granted only if no objections are received by the closing date of the notice.

Sincerely,



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