



July 22, 2010

9021-5000-59240-06

H. Darren Evans, P.Eng
Engineering Manager
Storm Exploration Inc.
800, 205 – 5th Avenue S.W.
Calgary AB T2P 2V7

Dear Mr. Evans:

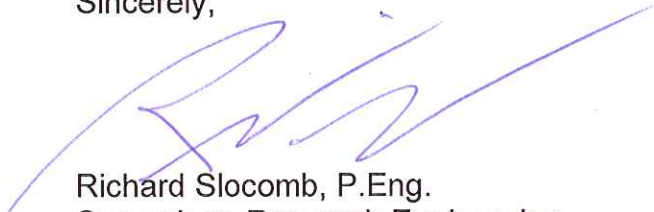
**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #3
HERITAGE REGIONAL FIELD – MONTNEY “A” POOL**

Commission staff have reviewed the application dated June 21, 2010, requesting a Good Engineering Practice (GEP) scheme amendment for producing Montney gas from a portion of the regional Heritage – Montney “A” pool.

Please find attached, Approval 07-06-033 (Amendment #3), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. Gas target buffer distances have been reduced to 150 meters on various project boundaries specified in the attached approval, based on documentation of consent from off-setting rights owners, to allow the drilling and production of gas wells within the GEP area for maximization of gas recovery.

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

Sincerely,



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

Attachment

APPROVAL 07-06-033 (AMENDMENT #3)

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 Storm Exploration Inc. (Storm) for producing gas from a portion of the regional Heritage – Montney "A" pool without well 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 Storm, as such scheme is described in

An Application from Storm to the Commission dated August 12, 2007, October 16, 2008, January 19, 2009, June 21, 2010, 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 :

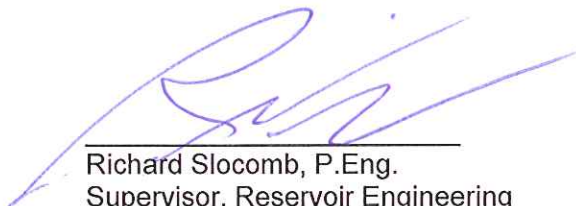
T 80 R16 W6M – Sections 16, 17, 20, 21, 28, 29, 32-34
T 81 R16 W6M – Sections 2-5, 8-12

2. Gas wells within the project area may be produced without individual well allowable restriction.

3. 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 250 m to the sides of the approved project area, with the exception of the following project boundaries where gas wells may be completed to within 150 m:

T 80 R16 W6M – West side of Sections 17, 20, 29, 32
East side of Sections 16, 21, 28
South and East sides of Section 34
T 81 R16 W6M – South and East side of Section 2.

4. This approval may be modified or rescinded at a later date if deemed appropriate.



Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 22nd day of July 2010.