

August 16, 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:

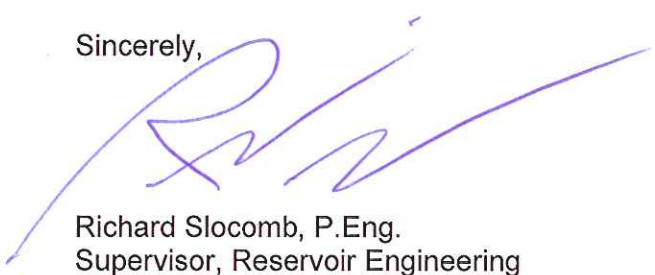
**RE: GOOD ENGINEERING PRACTICE APPROVAL
HERITAGE FIELD – MONTNEY FORMATION**

Commission staff have reviewed the application, dated June 3, 2010, requesting Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the regional Heritage field Montney "A" pool.

Attached is Approval 10-06-029 (Storm Project #3), granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. A notice of this application was posted on the Commission website, with no objections received. This approval is intended to allow the drilling and production of gas wells within the GEP area for maximization of gas recovery. The GEP target area has been enlarged to 150 meters from the project boundary, as supported by non-objection letters from the off-setting tenure owners.

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 10-06-029

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 Heritage Regional field – Montney “A” pool without spacing and target restrictions.

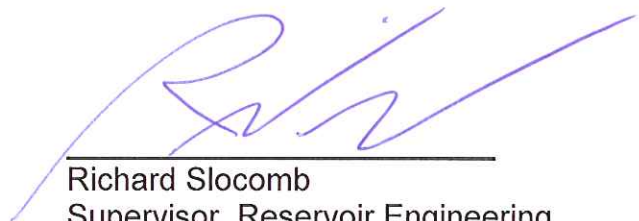
NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Storm as such scheme is described in

an Application from Storm to the Commission dated June 3, 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;

Twp 80 Rge 16 W6M – Sections 27, 35 and 36.
2. 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 150 m to the sides of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



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

DATED AT the City of Victoria, in the Province of British Columbia, this 16th day of August 2010.