

February 23, 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 REGIONAL FIELD – MONTNEY “A” POOL**

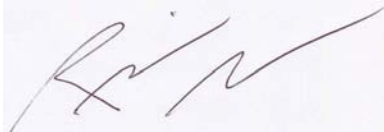
Commission staff have reviewed the application, dated January 15, 2010, requesting Good Engineering Practice (GEP) scheme approval for producing gas from a portion of the Heritage Regional field – Montney “A” pool. For regulatory purposes, the entire Montney interval is mapped as a single continuous formation.

Production from existing vertical wells has demonstrated limited drainage areas. GEP approval will allow the location and orientation of horizontal wells from central locations for effective gas recovery without regard to normal well spacing and target area restrictions.

Attached is Approval 10-06-008 (Storm Project #2), granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. GEP approval 07-06-033, last amended February 5, 2009 for adjoining lands, shall be referenced as Storm Project #1. 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 on the west, north and east sides, as supported by non-objection letters from the off-setting tenure owners.

Should you have any questions, please contact Ron Stefik at (250) 491-4430.

Sincerely,



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

Attachment

APPROVAL 10-06-008

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

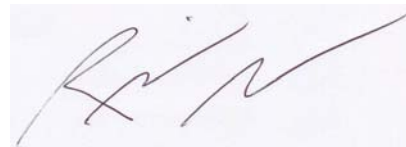
IN THE MATTER of a Good Engineering Practice (GEP) scheme of Storm Exploration Inc. (Storm) for producing gas from a portion of the Heritage Regional field – Montney “A” pool without spacing and target restrictions.

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 January 15, 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 14, 15, 22 and 23.
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; 250 m to the south side and 150 m to the west, north and east 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 23rd day of February 2010.