

November 9, 2010

7250-8200-59240-06

Kevin Fossenier, P. Geol.
Senior Explorationist
Yoho Resources Inc.
750, 736 – 6th Avenue S.W.
CALGARY, AB T2P 3T7

Dear Mr. Fossenier:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECTS
OTHER THAN NORMAL SPACING ORDERS
PICKELL FIELD – JEAN MARIE FORMATION**

The Commission has reviewed your application dated August 28, 2010, requesting approval of Good Engineering Practice for areas within the Pickell – Jean Marie formation.

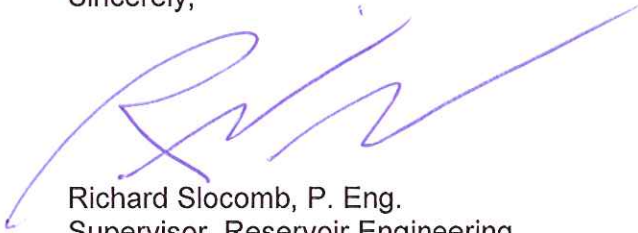
As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Order 10-06-045 designating Good Engineering Practice within the Pickell field Jean Marie formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 10-06-045–OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formations and areas.

As a Good Engineering Practice special project the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts. No objections were received following notice of application on the OGC website.

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

Attachments

IN THE MATTER of an application from Yoho Resources Inc. (Yoho) to the Commission dated August 28, 2010 for a Good Engineering Practice project.

ORDER 10-06-045

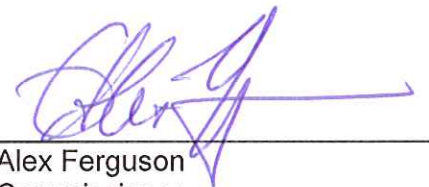
- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Pickell field – Jean Marie formation is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 94-H-02 Block E Units 78-80, 88-90, 88-100

NTS 94-H-02 Block L Units 8-10, 18-20, 28-30

NTS 94-H-03 Block H Units 71, 81, 91

NTS 94-H-03 Block I Units 1, 11, and 21.



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 9 day of November 2010.

IN THE MATTER of an application from Yoho Resources Inc. (Yoho) to the Commission dated August 28, 2010 for Other Than Normal Spacing.

ORDER 10-06-045-OTN

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Pickell field Jean Marie formation within the following area;

NTS 94-H-02 Block E Units 78-80, 88-90, 88-100

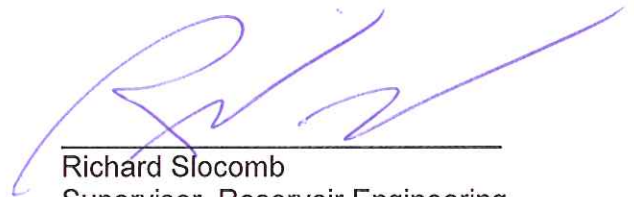
NTS 94-H-02 Block L Units 8-10, 18-20, 28-30

NTS 94-H-03 Block H Units 71, 81, 91

NTS 94-H-03 Block I Units 1, 11, and 21.

- 2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:

- a) the target area for a gas well completed within the project area is not nearer than 250 m to the sides of the Other Than Normal Spacing area,
- b) a gas well completed outside the specified target area may be subject to an off-target production penalty,
- c) gas wells drilled within the specified project area are not subject to spacing requirements.



Richard Slocomb
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 9 day of November 2010.