



February 1, 2008

7250-2400-59240-06

Barry Stobo
Vice President Engineering and Chief Operating Officer
Yoho Resources Inc.
Suite 750, 736 – Sixth Avenue S.W.
Calgary AB T2P 3T7

Dear Mr. Stobo:

RE: GOOD ENGINEERING PRACTICE APPROVALS
PICKELL - NOTIKEWIN "A" POOL

The Commission has reviewed your application dated December 19, 2007 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Notikewin, Bluesky and Gething in the Pickell field.

With respect to Notikewin, please note that the Commission's geological review of the proposed area has resulted in mapping the zone as the Pickell - Notikewin "A" pool.

Attached are two GEP scheme approvals for 100% Yoho Resources Inc. owned lands within the subject pool. The Approvals 08-06-004 (Yoho Project #1) and 08-06-005 (Yoho Project #2) are hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. The approvals are intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery. No objections were received following posting of notice of the application on the OGC website.

With respect to the Bluesky and Gething formations in the Pickell field, this application is considered premature based on current geological interpretation. The Bluesky and Gething in the area are characterized by multiple separate pools of limited size, with primary product status of either gas or oil. Future wells within the proposed GEP area are anticipated to encounter separate pools. As such, GEP approval would not be required to produce these wells. Also, development wells within the proposed GEP area may encounter oil pools, to be produced under individual well daily oil allowables. Alternatively, future drilling may prove that these sands are in communication with one another and a GEP approval may be appropriate. A GEP is required only when more than one well is completed in a gas spacing unit (GSU) for production from the same pool.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,

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

Attachments

Cc: Fekete Associates Inc. (Attn: Brian Ohlinger & Robyn Swanson).

RESOURCE CONSERVATION

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 08-06-004

**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 Yoho Resources Inc. (Yoho) for producing a portion of the Pickell Notikewin "A" gas 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 approves the GEP scheme of Yoho for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Yoho to the Commission dated December 19, 2007.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

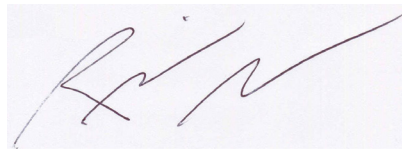
94-H-2:

Block E – units 34, 35, 44, 45, 56, 57, 60, 66, 67, 70, 72-75, 78-80, 82-85. 88-90

94-H-3:

Block H - units 51, 61, 71 and 81.

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 sides of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.
5. 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 1st day of February 2008.

APPROVAL 08-06-005

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

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NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Yoho for drilling wells without spacing and target restrictions, as such scheme is described in

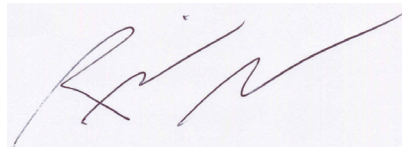
an Application from Yoho to the Commission dated December 19, 2007.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

94-H-2:
Block L – units 18-20, 28-30

94-H-3:
Block I - units 11 and 21.
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 sides of the approved project area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. Gas wells located within spacing areas directly adjoining producing non-project spacing areas must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.
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