



October 10, 2013

8220-5000-59240-06

Lesley Jorgensen
Storm Resources Ltd.
800, 205 – 5th Avenue S.W.
Calgary AB T2P 2V7

Dear Ms. Jorgensen:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT AMENDMENT #1
OTHER THAN NORMAL SPACING ORDER
UMBACH FIELD – MONTNEY “A” POOL**

The Commission has reviewed your email, dated September 30, 2013, identifying newly acquired Storm lands adjacent to existing Storm GEP approvals 13-06-004, 13-06-005 and 13-06-006. Since all approval areas are 100% Storm working interest and all areas are now contiguous, the Commission will amend the original approval 13-06-004 to include the entire area and will terminate the subsequent two approvals 13-06-005 and 13-06-006.

The amendment is intended to extend successful development of the Montney formation as gas recovery from this resource benefits from the ability to produce horizontal wells in optimal locations. Gas target buffer distances have been reduced to 150 meters on the project boundaries specified in the attached approval based on previous GEP approvals. For regulatory purposes, the Commission designates the entire Montney sequence as a single formation, removing commingling as an issue.

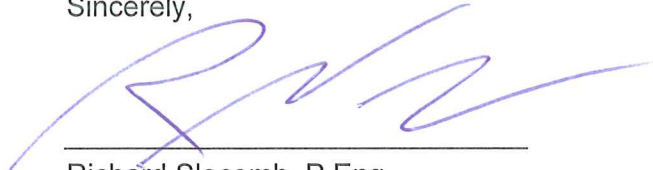
The following Orders are attached;

- 1) Order 13-06-004 Amendment #1 designating Good Engineering Practice within a portion of the Umbach - Montney “A” pool as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 13-06-004-OTN Amendment #1 approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

The following Orders are terminated: Order 13-06-005, Order 13-06-005-OTN, Order 13-06-006, Order 13-06-006 OTN.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Gaucher at (250) 419-4482.

Sincerely,



Richard Slocomb, P.Eng.
Deputy Commissioner, Engineering
Oil and Gas Commission

Attachments

IN THE MATTER of a request from Storm Resources Ltd. to the Commission dated September 30, 2013 for a Good Engineering Practice project amendment,

ORDER 13-06-004 Amendment #1

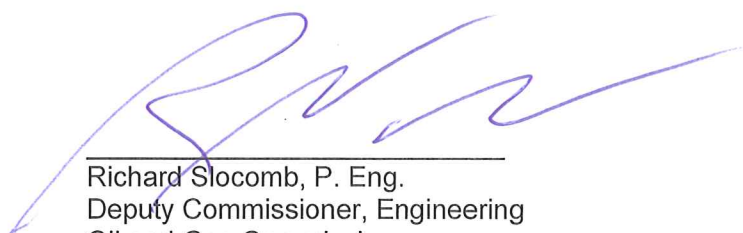
1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Umbach field Montney formation is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 94-A-13 Block I- Units 51, 61

NTS 94-A-14 Block L- Units 34-39, 44-49, 54-60, 64-70, 74-79, 84-89, 96-99

NTS 94-H-3 Block D Units 6 – 9, 16 – 19, 26 – 29, 34-39, 44-49, 56, 57, 66, 67, 76, 77, 80,
86, 87, 90, 98, 99
Block E -Units 8, 9

NTS 94-H-4 Block A -Units 71, 81.



Richard Slocomb, P. Eng.
Deputy Commissioner, Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this th10 day of October 2013.

IN THE MATTER of a request from Storm Resources Ltd. to the Commission dated September 30, 2013 for Other Than Normal Spacing amendment,

ORDER 13-06-004-OTN Amendment #1

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


NTS 94-A-13 Block I- Units 51, 61

NTS 94-A-14 Block L- Units 34-39, 44-49, 54-60, 64-70, 74-79, 84-89, 96-99

NTS 94-H-3 Block D Units 6 – 9, 16 – 19, 26 – 29, 34-39, 44-49, 56, 57, 66, 67, 76,
77, 80, 86, 87, 90, 98, 99
Block E -Units 8, 9

NTS 94-H-4 Block A -Units 71, 81.

- 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 150 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.



Ron Stefik, Eng. L.
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 10th day of October, 2013.