

January 29, 2013

6400-5000-59240-06

Kevin Fossenier
Senior Explorationist
Yoho Resources Inc.
500, 521 – 3rd Avenue S.W.
Calgary AB T2P 3T3

Dear Mr. Fossenier:

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

The Commission has reviewed your application received January 28, 2013, requesting an amendment to the Good Engineering Practice approval 11-06-037 for an area within the Nig Creek field - Montney formation.

The amendment is requested to remove units from the approval area. Yoho has disposed of those units (NTS 94-H-3 Block D Units 36, 37, 46, 47, 56, 57, 66 and 67) to another producer through land titles #59515 and #61317.

The following Orders are attached;

- 1) Orders 11-06-037 Amendment #1 designating Good Engineering Practice within a portion of the Nig Creek - Montney formation as Special Projects under section 75 of the *Oil and Gas Activities Act*, and
- 2) Orders 11-06-037-OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject formation and area.

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.

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

Sincerely,



Richard Slocomb
Deputy Commissioner, Engineering
Oil and Gas Commission

Attachments

IN THE MATTER of an application from Yoho Resources Inc. to the Commission received January 28, 2013 for an amendment to an Other Than Normal Spacing Order.

ORDER 11-06-037-OTN Amendment #1

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

NTS 94-A-13 Block I Units 92-95, 100
NTS 94-A-13 Block J Unit 91

NTS 94-H-3 Block D Units 20, 30, 40, 50, 56, 60, 70, 78, 79, 88, 89, 100
NTS 94-H-3 Block E Unit 10

NTS 94-H-4 Block A Units 2-5, 10-15, 18-25, 28-35, 38-45, 48-57, 61-67, 72-77, 82-87, 91-97

NTS 94-H-4 Block B Units 1, 11, 21, 31, 41

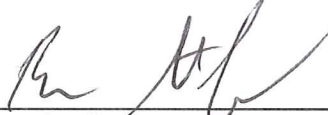
NTS 94-H-4 Block G Units 31, 41

NTS 94-H-4 Block H Units 1-7, 14-17, 24-27, 34-40, 44-50, 54-57, 64-67, 74-79, 84-89, 96-99

NTS 94-H-4 Block I Units 6-9.

- 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.
Assistant Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 29th day of January 2013.

IN THE MATTER of an application from Yoho Resources Inc. to the Commission received January 28, 2013 for an amendment to a Good Engineering Practice project

ORDER 11-06-037 Amendment #1

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Nig Creek 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 92-95, 100
NTS 94-A-13 Block J Unit 91

NTS 94-H-3 Block D Units 20, 30, 40, 50, 56, 60, 70, 78, 79, 88, 89, 100
NTS 94-H-3 Block E Unit 10


NTS 94-H-4 Block A Units 2-5, 10-15, 18-25, 28-35, 38-45, 48-57, 61-67, 72-77, 82-87, 91-97

NTS 94-H-4 Block B Units 1, 11, 21, 31, 41

NTS 94-H-4 Block G Units 31, 41

NTS 94-H-4 Block H Units 1-7, 14-17, 24-27, 34-40, 44-50, 54-57, 64-67, 74-79, 84-89, 96-99

NTS 94-H-4 Block I Units 6-9.



Richard Slocomb
Deputy Commissioner, Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 29th day of January 2013.