



OIL AND GAS COMMISSION

June 6, 2007

9000-2800-32640-02

Darren Evans, P.Eng.
Engineering Manager
Storm Exploration Inc.
3250, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7

Dear Mr. Evans:

**RE: APPLICATION FOR SALT WATER DISPOSAL
STORM EXP TOWER 4-12-081-17 W6M, (WA# 18308); Cadomin Formation**

The Commission has reviewed your application, dated March 23, 2007, requesting permission to dispose of produced water into the Cadomin formation of the subject well.

The subject well was completed in the Doig formation in November 2004 and produced from February 2005 to July 2006 at which time the zone was suspended beneath a bridge plug. The Halfway formation was completed in August 2006, however rates were uneconomic and the well remains in a suspended state. Storm currently disposes of produced water from their 8-13-81-17 W6M compression site into the Cadomin formation at 12-20-81-16 W6M. Although this well continues to operate well it is limited in its disposal capacity. Storm requires additional produced water disposal capacity to allow continued development within the area.

We concur that the subject well appears to be a good candidate for salt water disposal in the Cadomin formation. No objections were received following the posting of a notice of your application on the OGC website.

Attached is Approval 07-02-002 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*.

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 07-02-002

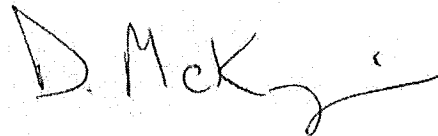
THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION

IN THE MATTER of a scheme of Storm Exploration Inc. (Storm) for Salt Water Disposal (SWD) in the Tower Lake field Cadomin formation in the well Storm Exp Tower 4-12-081-17 W6M (WA# 18308).

NOW, THEREFORE, pursuant to Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, the SWD scheme is hereby approved, as such scheme is described in

an application from Storm to the Commission dated March 23, 2007.

1. The water disposal interval must be in the Cadomin formation.
2. A record of volume of salt water disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form (BC-S18), which must be submitted to the Oil and Gas Commission not later than the 25th day of the month following the reported month.
3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.
4. The Commission must be notified in writing of the date of commencement of produced water disposal.
5. This approval may be modified or rescinded if deemed appropriate through a change in circumstances.



Doug McKenzie
Director
Resource Conservation Branch
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 6th day of June 2007.