



January 30, 2008

6600-4800/4900-59070-20

H. Darren Evans, P.Eng.
Engineering Manager
Storm Exploration Inc.
800, 205 – 5th Avenue S.W.
CALGARY AB, T2P 2V7

Dear Mr. Evans:

**RE: COMMINGLED PRODUCTION APPROVAL
STORM EXP ET AL PARKLAND 10-5-81-16 W6M; WA 21342**

Commission staff have reviewed your application, dated December 18, 2007, for approval to commingle gas production from the Parkland field Halfway “B” and Doig “B” pools in the subject well.

The Halfway zone began production in November 2007, currently at a rate of 38.0 10³ m³/d. The Doig zone produced from March 2007 to October 2007, presently shut-in due to high water production, with a final gas rate at 19.1 10³ m³/d. Commingled production is expected to aid in lifting liquids from the Doig zone thereby maximizing production and reserves recovery. Both zones are sour gas with similar initial reservoir pressures. A sliding sleeve will allow for potential segregated production and testing. The well Storm EXP Parkland 1-5-81-16 (WA 20290) was approved to commingle these same two pools. Good Engineering Practice approvals for both the Halfway “B” and Doig “B” include this gas spacing area.

Your application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Halfway (1859.0 – 1871.0 mKB) and Doig (1902.0 – 1905.0 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1, BC S-2 and BC-08 forms on the basis of:

	<u>Halfway</u>	<u>Doig</u>
Gas	70%	30%
Condensate	100%	0%
Water	5%	95%

3. The allocation factors may be amended to reflect results of any future tests.
4. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0310.

Sincerely,

Ron Stefik, ASCT
Sr Reservoir Engineering Technologist

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