



April 14, 2005

Approval Letters to Industry
COMMINGLED PRODUCTION
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6600-4800/4900-59070-20
OGC - 05126

H. Darren Evans, P.Eng.
Storm Exploration Inc.
Suite 3300 205 - 5th Avenue S.W.
CALGARY AB, T2P 2V7

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| | Wellfile (originals) |
| | 59070-20 |
| | Daily |
| | Resource Revenue |
| | R. Stefik |
| | G. Farr |
| | R Slocomb |
| | D. Krezanoski |

Dear Mr Evans:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
STORM EXP PARKLAND 14-15-81-16 W6M; WA# 12360**

The OGC has reviewed your application dated March 14, 2005, for approval to commingle gas production from the Halfway and Doig formations in the subject well.

The Commission has designated the gas pools under application to be the Parkland - Halfway "B" and Doig "A" pools. The Halfway has been mapped as single well pool. The Halfway was tested at 50 10³ m³/d, with a high, but stabilized water production rate. The Doig has been mapped as a two well pool. The Doig zone in the subject well has been on production since November 2004 and is currently producing at 20.0 10³ m³/d with a flat decline. Segregated production is not possible as the Halfway is unable to produce above the critical lift rate for annular flow. Storm has installed a sliding sleeve to allow for segregated production and testing. Commingled production of these two zones is expected to allow for the collection of additional production and pressure data which will be used to optimize reservoir development in the area. Both zones are sour gas with similar current reservoir pressures.

We wish to advise you that 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 (1745.0 - 1747.0 mKB) and Doig (1770.5 - 1777.0 mKB) formations may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Halfway 65 % and Doig 35%. The allocation factors may be amended to reflect results of any future tests.
3. A production test must be completed to establish the current well deliverability and reservoir pressure for each producing zone. The test must be completed between March 1, 2006 and May 31, 2006.

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RESOURCE CONSERVATION BRANCH

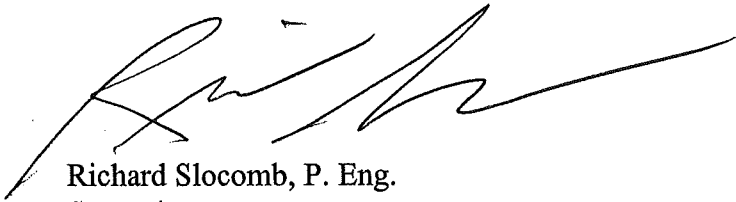
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5700 Fax: (250) 261-5744
www.ogc.gov.bc.ca

4. Segregated production must be re-established should water production from the Halfway zone jeopardize production and recovery from the Doig zone.
5. 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) 952-0366.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Slocomb', with a long horizontal flourish extending to the right.

Richard Slocomb, P. Eng.
Supervisor
Reservoir Engineering