



March 29, 2007

6600-4800/4900-59070-20

H. Darren Evans, P.Eng.
Engineering Manager
Storm Exploration Inc.
Suite 3250 205 – 5th Avenue S.W.
CALGARY AB, T2P 2V7

Dear Mr. Evans:

**RE: COMMINGLED PRODUCTION APPROVAL
STORM EXP PARKLAND 1-5-81-16 W6M; WA 20290**

The Commission has reviewed your application dated March 5, 2007 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 “E” and Doig “B” pools. The Halfway is delineated by 3 wells whereas the Doig has been delineated by 2 wells. All wells are operated by Storm Exploration Inc.

The Halfway zone in the well started producing in August 2006 and is currently producing at 44.0 10³ m³/d. The Doig zone in the subject well started producing in January 2006 and has been shut-in since August 2006 due to high water production. Prior to being shut-in, Doig was producing at 12.4 10³ m³/d. Commingled production is expected to aid in lifting fluids from the Doig zone thereby maximizing production and reserves recovery for these two zones. Both zones are sour gas with similar current reservoir pressures. A sliding sleeve has been installed to allow for segregated production and testing

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 (1854.0 – 1865.0 mKB) and Doig (1899.0 – 1903.0 mKB) may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of:

	<u>Halfway</u>	<u>Doig</u>
Gas	75%	25%
Condensate	75%	25%
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) 952-0366.

Sincerely,

Richard Slocomb, P. Eng.
Supervising Reservoir Engineer

RESOURCE CONSERVATION BRANCH

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