

September 17, 2001

8150-4800-59240-06 OGC 01172

H. Darren Evans Exploitation Engineer Storm Energy Inc. Suite 1400 255 - 5th Ave SW Calgary AB T2P 3G6

STORM PROJECT (03)

Dear Mr. Evans:

RE: GOOD ENGINEERING PRACTICE APPROVAL
TOMMY LAKES HALFWAY "A" POOL

Attached is a Good Engineering Project (GEP) scheme approval for a portion of the subject pool, as requested in your application of August 13, 2001.

The Approval 01-06-009 is hereby granted under Part 8, Division 6, section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

Sincerely,

Craig Gibson, P. Eng.

Manager

Reservoir Engineering and Geology

Attachment

Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.
Copy 9
Wellfile (originals)
59240
Daily
Resource Revenue
S. Chicorelli
R. Stefik
G. Farr
P. Attariwala
D. Krezanoski

APPROVAL 01-06-009

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

IN THE MATTER of a Good Engineering Practice (GEP) scheme of Storm Energy Inc. (Storm) for producing a portion of the Tommy Lakes Halfway "A" pool gas without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of Storm for drilling wells without spacing and target restrictions, as such scheme is described in

an Application from Storm to the Commission dated August 8, 2001.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of;

94-G-9 Block E – units 91-99

Block F – units 91-100

Block G - units 96-100

Block J - units 6-10, 16-20, 26-30, 32-40, 42-50, 52-60, 62-70, 80, 90

Block K – units 1-90, 94-100

Block L – units 1-9, 11-19, 21-29, 31-39, 41-49, 51-59, 61-69, 71-79, 81-89, 91-99

94-G-16 Block C – units 4-10

Block D – units 1-9.

- 2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project area are not completed nearer than 250 m to the sides of the approved project area.
- 3. The gas wells within the project area may be produced without individual well allowable restrictions.
- 4. This approval may be modified or rescinded at a later date if deemed appropriate.

Commissioner

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this // day of September 2001.