



January 18, 2001

5400-8400-32640-02

OGC - 01011

Mr. Brian Lavergne
Manager, Engineering
Storm Energy Inc
Suite 1400, 255 - 5 Avenue SW
Calgary, AB T2P 3G6

Dear Mr. Lavergne:

**RE: APPLICATION FOR SALT WATER DISPOSAL
STORM PC PHILLIPS KOTCHO B-30-f/94-P-3, (WA# 677); SLAVE POINT**

The Commission has reviewed your application dated November 24, 2000 requesting disposal of produced water into the Slave Point formation of the subject well.

We concur that the well b-30-F/94-P-3 is a good candidate for salt water disposal into the Slave Point formation below the original G/W contact. Notice of your application was published in two issues of the BC Gazette. As no written objections were received, your application is approved as submitted.

Attached is Approval 01-02-002 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*.

Sincerely,

Craig Gibson, P. Eng.
Manager
Reservoir Engineering and Geology

Attachment

cc: Petroleum Lands Branch
Ministry of Energy and Mines

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

ENGINEERING AND GEOLOGY BRANCH

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Location: 6th Flr 1810 Blanshard St. Victoria BC

APPROVAL 01-02-002

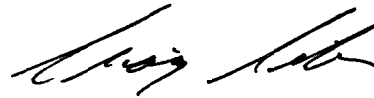
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of Storm Energy Inc. (Storm) for Salt Water Disposal (SWD) in the Slave Point formation in the well Storm PC Phillips Kotcho b-30-F/94-P-3 (WA# 677).

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 November 24, 2000.

1. The water disposal interval must be in the Slave Point 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. This approval may be modified or rescinded if deemed appropriate through a change in circumstances.



Craig Gibson
Manager
Reservoir Engineering and Geology
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of January, 2001.