



OIL AND GAS COMMISSION

April 14, 2005

7750-4800/4900-59070-20

OGC – 05127

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

Dear Mr Evans:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
STORM EXP SEPTIMUS 15-26-81-18 W6M; WA# 15081**

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 Septimus – Halfway “D” and Doig “A” pools. Both zones have been mapped as single well pools. The Halfway was tested at $11.5 \times 10^3 \text{ m}^3/\text{d}$, with a high, but stabilized water production rate. The Doig zone in the subject well has been on production since November 2004 and is currently producing at $18.0 \times 10^3 \text{ m}^3/\text{d}$. 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 is expected to maximize production and reserves recovery for these two zones. 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 (1794.0 – 1803.0 mKB) and Doig (1830.0 – 1836.0 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 40 % and Doig 60%. The allocation factors may be amended to reflect results of any future tests.
3. Segregated production must be re-established should water production from the Halfway zone jeopardize production and recovery from the Doig zone.
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.
Supervisor
Reservoir Engineering

**Approval Letters to Industry
COMMINGLED PRODUCTION**

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<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	R. Stefik
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<input type="checkbox"/>	R Slocomb
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