



OIL AND GAS COMMISSION

December 6, 2007

7750-4800-59240-06

H. Darren Evans, P.Eng.
Senior Engineer
Storm Exploration Inc.
800, 205 – 5th Avenue S.W.
Calgary AB T2P 2V7

Dear Mr. Evans:

**RE: GOOD ENGINEERING PRACTICE AMENDMENT APPLICATION
SEPTIMUS – HALFWAY “E” POOL**

Commission staff have reviewed the application, dated September 11, 2007, requesting an amendment to Good Engineering Practice (GEP) Approval 06-06-023, specifically the addition of sections 29-81-17 W6M and 25-81-18 W6M, for producing gas from the Septimus field Halfway “E” pool.

An objection was filed on November 2, 2007 by Terra Energy Corp during the period of public notice of this application. On November 23, 2007 Storm Exploration Inc withdrew section 29-81-17 W6M from the application.

Geological review of the area of application has resulted in the OGC amalgamating the former Septimus field Halfway “D” and “E” pools with the Tower Lake field Halfway “A” pool. Evidence has not yet been provided that would support the requirement for multiple wells to adequately recover gas from each spacing area.

Consequently, your application to amend this approval is denied and the original **Approval 06-06-023**, granted March 30, 2006, **is hereby rescinded**, as provided under condition #4 and cautioned in the original cover letter. We understand that the well Storm Exp el al Tower 12-30-81-17 W6M (WA# 16674) suspended production in August 2007, resulting in a single well currently producing from this spacing area, therefore present production operations will be impacted.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

for Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering
Resource Conservation Branch

cc: Terra Energy Corp. (Gord Oliver)

RESOURCE CONSERVATION

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