

March 31, 2009

8157-2600-32640-02

H. Darren Evans, P.Eng.
Engineering Manager
Storm Exploration Inc.
800, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7

Dear Mr. Evans:

**RE: SALT WATER DISPOSAL APPROVAL
STORM EXP TOWER 4-12-081-17 W6M. (WA# 18308); BLUESKY FORMATION**

The Commission has reviewed your application, dated October 8, 2008, requesting permission to dispose of produced water into the Bluesky formation of the subject well.

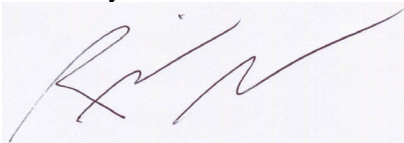
A suspended Doig gas producer, the Halfway formation in this well tested as uneconomic. The OGC issued an approval dated June 6, 2007 for salt water disposal into the Cadomin formation, however disposal rates were lower than expected. Additional produced water disposal capacity is required to allow continued gas development in the area.

On November 20, 2008 the Commission issued a water injectivity test approval for the Bluesky formation. Water compatibility has been confirmed, however injection test results have been poor, following an unsuccessful initial fracture stimulation treatment. All conditions of the injection test approval have been met, with no hydrocarbons present. No objections were received following the posting of a notice of your application on the OGC website.

Attached is Approval 09-02-005 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*. This approval is intended to support additional operations to enhance injectivity. The form Notice of Commencement or Suspension of Operations (BC-11) must be submitted upon commencing injection operations.

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

Sincerely,



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

Attachment

APPROVAL 09-02-005

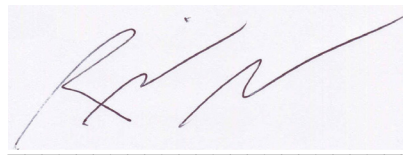
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of Storm Exploration Inc. (Storm) for Salt Water Disposal (SWD) in the Tower Lake field Bluesky formation in the well Storm Exp Tower 4-12-081-17 W6M (WA# 18308).

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 October 8, 2008.

1. The water disposal interval must be in the Bluesky 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. The Commission must be notified in writing of the date of commencement of produced water disposal.
5. This approval may be modified or rescinded if deemed appropriate through a change in circumstances.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 31st day of March 2009.