



OIL AND GAS COMMISSION

December 20, 2006

7200-8400-32640-02

Darren Evans, P.Eng.  
Senior Operations Engineer  
Storm Exploration Inc.  
3250, 205 – 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 2V7

Dear Mr. Evans:

**RE: APPLICATION FOR SALT WATER DISPOSAL  
PC PETITOT d-14-D/94-P-13, (WA# 3427); Slave Point Formation**

The Commission has reviewed your application, dated October 28, 2006, requesting permission to dispose of produced water into the Slave Point formation of the subject well.

The subject well has cumulatively produced 143.0  $10^3$  m<sup>3</sup> of gas between April 1974 and December 1979, and was shut-in due to excessive water production. Storm has requested disposal of produced water into the existing perforated interval. The Commission notes that the top of the Slave Point reservoir in the subject well was estimated to be 38 meters above the original gas/ water contact and disposal of produced water into this interval may reduce ultimate recovery of reserves. To minimize risk, the Commission requests an extended flow test to confirm water influx prior to commencement of disposal operations. Alternately, Storm may deepen the subject well below the estimated original gas/water contact (-1575 m subsea) and utilize this interval for disposal of produced water.

We concur that the subject well appears to be a good candidate for salt water disposal in the Slave Point formation. Notice of your application was published in two issues of the BC Gazette with December 7, 2006 being the last date for any valid objections. No written objections were received.

Attached is Approval 06-02-002 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*.

Sincerely,

Doug McKenzie  
Director  
Resource Conservation Branch

Attachment

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**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301  
Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 [www.ogc.gov.bc.ca](http://www.ogc.gov.bc.ca)

APPROVAL 06-02-002

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

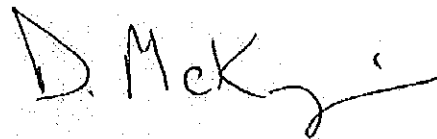
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IN THE MATTER of a scheme of Storm Exploration Inc. (Storm) for Salt Water Disposal (SWD) in the Petitot field Slave Point formation in the well PC Petitot d-14-D/94-P-13 (WA# 3427).

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 28, 2006.*

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.



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Doug McKenzie  
Director  
Resource Conservation Branch  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20<sup>th</sup> day of December, 2006.