

October 11, 2005

9000-2600-32640-02 OGC - 05275

Scott Myers Hudson's Hope Gas Ltd 5336 Stadium Trace Parkway Suite 206, Birmingham, Alabama 35244

Dear Mr. Myers:

RE: WATER INJECTIVITY TEST
HHG PORTAGE a-100-D/94-A-04 (WA# 16077); BLUESKY

The Commission has reviewed your application dated September 30, 2005 requesting permission to conduct a temporary water injectivity test into the Bluesky formation of the subject well.

Your request for temporary injectivity is considered appropriate, as it will provide necessary information to determine if the reservoir is suitable for water disposal. Following completion, and prior to injection, an attempt should be made to flow the well to test any hydrocarbon potential.

Approval for temporary injectivity test is hereby granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, subject to the following conditions;

- 1. The test injection interval must be in the Bluesky formation.
- 2. The total volume of injected water must not exceed 100 m³.
- 3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.

Please note that a notice of your application for salt water disposal will be published in the September 22 and 29, 2005 issues of the BC Gazette. Formal approval may be granted only if no valid objections are received by the closing date of the notice.

Sincerely,

Richard Slocomb, P. Eng.

A/ Director

Resource Conservation Branch

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