



OIL AND GAS COMMISSION

June 11, 2008

9000-4100-32640-02

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-20-D/94-A-04 (WA# 22031); BALDONNEL

The Commission has reviewed your application dated May 19, 2008 requesting permission to conduct a temporary water injectivity test into the Baldonnel 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 Baldonnel 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.

Based on the results of the injectivity test, you may wish to apply for a formal salt water disposal approval in the subject well. Please note that a notice of an application for salt water disposal, once received, will be published on the OGC Website. Formal approval may be granted only if no objections are received by the closing date of the notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slocomb', is written over a light blue rectangular background.

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

RESOURCE CONSERVATION

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