



February 13, 2008

9000-2600-32640-02

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 01-36-81-26 W6M (WA# 21810); BLUESKY

The Commission has reviewed your application dated February 6, 2008 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. The Commission recognizes that this test will also help determine the fracture pressure of the Bluesky formation to ensure that this pressure is not exceeded during continuous disposal operations. Therefore it is deemed appropriate to exceed formation fracture pressure for this short duration test.

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.

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

cc: Gord Anderson – Windward Resources

RESOURCE CONSERVATION

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