



December 8, 2008

9000-4100-32640-02

Trevor Samis, E.I.T.
Petroleum Engineer
ProEx Energy Ltd.
1200, 205 – 5th Ave SW
Calgary, AB T2P 2V7

Dear Mr. Samis:

**RE: WATER INJECTIVITY TEST APPROVAL
PROEX HZ KAHTA C- 061-K/094-G-07 (WA# 13815); BALDONNEL FORMATION**

The Commission has reviewed your application, dated November 26, 2008, requesting permission to conduct a temporary injectivity test into the Baldonnel formation of the subject well.

The subject well contains an open hole horizontal leg through the Baldonnel formation. In August, 2001 the Baldonnel was stimulated with an acid squeeze. During the subsequent flow test, the well produced a significant amount of water (768 m³) and the gas rate declined from 56 10³m³/d to 2.8 10³m³/d over an 88 hr period. As such, the OGC is assured that the Baldonnel zone does not contain any commercially producible hydrocarbons.

Your request for temporary injectivity is considered appropriate, as it will provide necessary information to determine if the reservoir is suitable as a disposal zone.

Approval for temporary injectivity testing 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 400 m³.
3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.

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,

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering

RESOURCE CONSERVATION

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