



October 20, 2005

9000-2600-32640-02
OGC – 05283

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

Dear Mr. Myers:

**RE: APPLICATION FOR SALT WATER DISPOSAL
HHG Portage a-100-D/94-A-4, (WA# 16077); Bluesky Formation**

The Commission has reviewed your application dated August 29, 2005 requesting disposal of produced water into the Bluesky formation of the subject well in the Hudson's Hope area.

We concur that the well a-100-D/94-A-4 is a good candidate for salt water disposal into the Bluesky formation. Notice of your application was published in two issues of the BC Gazette and no written objections were received.

Attached is Approval 05-02-008 for the application granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*. This approval addresses correlative rights issues and the technical feasibility of disposal of produced water into the Bluesky formation. The OGC expects that Hudson's Hope Gas will notify the Municipality of Hudson's Hope prior to commencement of disposal operations.

Sincerely,

Richard Slocomb, P. Eng.
A/ Director
Resource Conservation Branch

Attachment

Cc Gord Humphrey, OGC FSJ
Devin Scheck, OGC FSJ
James Gladysz, OGC FSJ

**Approval Letters to Industry
GEP, SWD, CONCURRENT PROD,
PRESSURE MAINTENANCE,
WATERFLOOD, ETC.**

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- R. Slocomb
- D. Krezanoski

RESOURCE CONSERVATION BRANCH

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

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

APPROVAL 05-02-008

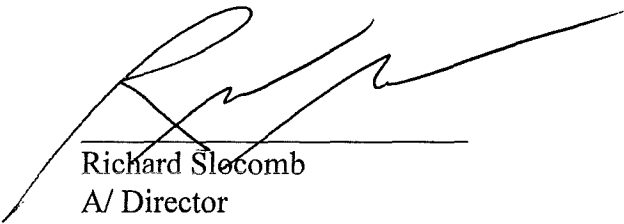
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of Hudson's Hope Gas Ltd. (HHG) for Salt Water Disposal (SWD) in the Bluesky formation in the well HHG Portage a-100-D/94-A-4 (WA# 16077).

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 HHG to the Commission dated August 29, 2005.

1. The water disposal interval must be in the Bluesky 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.


Richard Slecomb
A/ Director
Resource Conservation Branch
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 20th day of October 2005.