



August 3, 2006

9000-1750/1870/2700-59240-15

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

Dear Mr. Myers:

**RE: FLARING EXTENSION – COAL BED GAS EXPERIMENTAL SCHEME APPROVAL
HHG PORTAGE c-50-D/94-A-4; WA# 16176
HUDSON'S HOPE AREA-GATES, MOOSEBAR AND GETHING FORMATION COALS**

The Commission has reviewed an application dated August 2, 2006 requesting an addition to the flaring volume allowed for testing the subject well within the approved Coal Bed Gas (CBG) experimental scheme area for exploration and production from the Gates, Moosebar and Gething Formation coals in the Hudson's Hope area of northeast British Columbia.

The CBG experimental scheme approval, granted on December 31, 2002, limited well test flaring to a 6 months duration and a total volume of $255.0 \times 10^3 \text{ m}^3$ per well. The allowable flaring period was extended for this well in an OGC approval dated August 29, 2005. Hudson's Hope Gas Ltd. (HHG) has now requested an increase in the volume in order to continue current testing, to assess the success of a recent well re-stimulation. The Commission agrees that additional flexibility with regard to flaring is warranted. As such the allowable flare volume for the well HHG Portage c-50-D/94-A-4 (WA 16176) is hereby increased to a volume limit of $310 \times 10^3 \text{ m}^3$.

Disposal of produced water will be to an underground formation as specified by section 94 of the *Drilling and Production Regulation* unless otherwise approved by the Commission.

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

RESOURCE CONSERVATION BRANCH

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