



May 8, 2006

9000-1725/1870/2700-59240-15  
OGC - 06180

Wendell Beavers  
Consulting Project Manager  
Hudson's Hope Gas Ltd.  
5336 Stadium Trace Parkway, Suite 206  
Birmingham, Alabama 35244

Dear Mr. Beavers:

**RE: FLARING EXTENSION - COAL BED GAS EXPERIMENTAL SCHEME APPROVAL  
HUDSON'S HOPE AREA, GATES, MOOSEBAR AND GETHING FORMATION COALS**

The Commission has reviewed your application dated April 20, 2006 requesting an extension of the time period and volume allowed for testing one test hole (HHG TH Portage c-13-A/94-B-1; WA 19518) 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 10<sup>3</sup> m<sup>3</sup> per well. The total amount of gas flared from the well HHG TH Portage c-13-A/94-B-1, is 300.0 10<sup>3</sup> m<sup>3</sup> over a 5 month period. Although HHG has exceeded the stated maximum flare volume, this was a result of an approval issued by the Operations Engineering Branch dated November 14, 2005. Hudson's Hope Gas Ltd. (HHG) has requested an extension of the time period and total flare volume in order to better understand the producing characteristics of the well and to justify and plan for the next stages of development. The Commission agrees that due to the size and scope of a new CBG development, additional flexibility with regard to flaring is warranted. As such the Commission will extend the allowed flaring duration by 3 months and increase the total allowable flare volume to 500.0 10<sup>3</sup> m<sup>3</sup>, for the subject well.

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

**Approval Letters to Industry  
Experimental Schemes -  
CBM, SHALE GAS, Etc.**

Copy 11

- Daily
- Wellfile (originals)
- 59240
- R. Slocomb
- R. Stefik
- G. Farr
- GIS Co-op Students
- Resource Revenue
- S. Chicorelli
- D. Krezanoski (FSJ)
- L. Stellmaker (FSJ)

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