



April 27, 2006

9000-1750/1870/2700-59240-15  
OGC - 06166

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 allowed for testing one test hole (HHG TH Portage d-12-H/94-B-1; WA 19670) 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 d-12-H/94-B-1 (WA 19670) was 130.0 10<sup>3</sup> m<sup>3</sup> over a 6 month period. Hudson's Hope Gas Ltd. (HHG) has requested an extension of the time period allowed for flaring 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, for the well HHG TH Portage d-12-H/94-B-1 (WA 19670)

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,

Richard Slocomb, P. Eng.  
A/ 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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