



July 14, 2005

9000-1750/1870/2700-59240-15  
OGC - 05207

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

Dear Mr. Beavers:

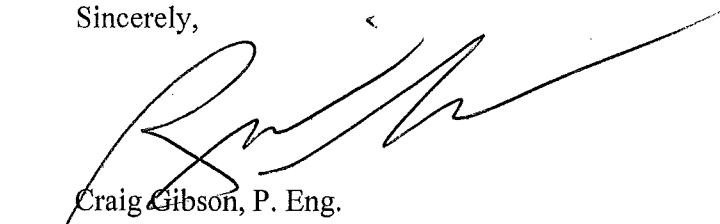
**RE: FLARING EXTENSION - COAL BED GAS EXPERIMENTAL SCHEME APPROVAL  
HUDSON'S HOPE AREA, GATES, MOOSEBAR AND GETHING FORMATION COALS**

The Commission has reviewed your application dated May 24, 2005 requesting an extension of the time period allowed for testing one well (c-50-D/94-A-04) 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 amounts of gas flared from the c-50-D well was 106.5 10<sup>3</sup> m<sup>3</sup> over a 6 month period. Hudson's Hope Gas (HHG) recently became operator of the existing wells in the experimental scheme area and has some concerns with the quality and type of data collected by the previous operator Peace River Corporation (PRC). HHG has requested an extension of the time period allowed for flaring in order to confirm production in a pumped-off state, evaluate alternative pumping technologies 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 6 months, for the well c-50-D/094-A-04 (WA# 16176)

Disposal of produced water will be to an underground formation as specified by section 94 of the *Drilling and Production Regulation (D & P Regulation)* unless otherwise approved by the Commission. Gas analyses will be required as specified by section 90 of the *D & P Regulation* unless otherwise approved by the Commission.

Sincerely,

  
per Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

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