

October 13, 2004

3600-4100-32640-02 OGC - 04289

Kelly White, P.Eng.
Exploitation Engineer
Cougar Hydrocarbons Inc.
Suite 3900, 205 – 5th Avenue SW
Calgary, AB T2P 2V7

Dear Ms. White:

RE: WATER DISPOSAL/INJECTIVITY TEST COUGAR ET AL FT. ST. JOHN 6-17-83-18 W6M (WA# 210); BALDONNEL FORMATION

The Commission has reviewed your application dated October 4, 2004 requesting permission to conduct a temporary water injectivity test into the Baldonnel formation of the subject well.

Your request for temporary injectivity is considered appropriate, as it will provide necessary information to determine if the reservoir is suitable as a disposal zone and will allow continued Baldonnel gas production until problems with surface access to the Central Dehydrator have been addressed.

Approval for temporary injectivity test is hereby granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, subject to the following conditions;

- 1. The test injection interval must be in the Baldonnel (903.7 906.8 mKB).
- 2. The total volume of injected water must not exceed 200 m³.
- 3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.

Please note that a notice of your application for salt water disposal, once received, will be published in the BC Gazette. Formal approval may be granted only if no objections are received by the closing date of the notice.

Sincerely,	Approval Letters to Industry GEP, SWD, CONCURRENT PROD, PRESSURE MAINTENANCE,	- C. C.
Craig Gibson, P. Eng. Director Resource Conservation Branch	WATERFLOOD, ETC. Copy 9 Wellfile (originals) 59240 Daily Resource Revenue S. Chicorelli	
PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: Location: 6 th Fir 1810 Blanshard 5 Headquarters: #200, 10003 110 th Ave, Fort St. John BC V1J 6M7 Tel: (250) 2	R. Stefik G. Farr R. Slocomb D. Krezanoski	roy be ca