



May 1, 2007

3340-2625/2800-59070-20

Scott Thiessen  
Reservoir Engineer  
EnCana Corporation  
150 – 9<sup>th</sup> Avenue SW  
PO Box 2850  
CALGARY AB T2P 2S5

Dear Mr. Thiessen:

**RE: COMMINGLED PRODUCTION APPROVAL**  
**ECA ECOG HZ CUTBANK d-A22-B/93-P-8; WA# 21000**

Commission staff have reviewed your application, dated February 23, 2007, for approval to commingle gas production from the Upper Gething/Lower Bluesky and Cadomin formations in the subject well. Although within the area/formations of the OGC “Deep Basin Area Commingle Production – Interim Approval”, high early production rates exempted this well from the provisions allowing initial commingling.

The Commission designates the gas pools under application to be the Cutbank field – Basal Bluesky “C” and Deep Basin field – Cadomin “A”. The Basal Bluesky began production at an initial gas rate of 240 10<sup>3</sup> m<sup>3</sup>/d, however has now declined significantly to 15 10<sup>3</sup> m<sup>3</sup>/d and would appear to have depleted a significant portion of the recoverable reserves. The Cadomin is presently producing from 2 horizontal legs at a collective rate of 40 10<sup>3</sup> m<sup>3</sup>/d. Commingled production through the tubing is expected to lift liquids more effectively from the Basal Bluesky, extending the economic life of this zone thereby maximizing recovery. Both zones produce sweet gas.

The application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Basal Bluesky (2305.0 - 2308.0 mKB MD) and Cadomin (2521.0 - 3145.0 & 2521.0 - 3180.0 mKB MD) formations may be commingled.
2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1 and BC S-2 forms on the basis of Basal Bluesky 10 % and Cadomin 90 %. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Your application notes that production from the Cadomin formation of subject well (event 00) did not commence until October 2006. However, submitted S-1 reports indicate that production from the Basal Bluesky (event 04) commenced in October 2006. Please amend reported production to the correct event, if required.

Should you have any questions, please contact the undersigned at (250) 952-0310.

Sincerely,

Ron Stefik, AScT  
Sr Reservoir Engineering Technologist

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**RESOURCE CONSERVATION BRANCH**

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