



June 29, 2006

3340-2625/2700-59070-20

Neal Alexander
Reservoir Engineer
EnCana Corporation
150 – 9th Avenue SW
PO Box 2850
CALGARY AB T2P 2S5

Dear Mr. Alexander:

RE: COMMINGLED PRODUCTION APPROVAL
ECA Cutbank d-59-A/93-P-8; WA# 19516

Commission staff have reviewed your application dated June 7, 2006, for approval to commingle gas production from the Bluesky and Gething formations in the subject well. Although within the area and zones 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 has designated the pools under application to be the Cutbank – Basal Bluesky “B” and Gething “B” single well gas pools. The Basal Bluesky has been on production since November 2005 and has produced over 0.85 Bcf, currently producing at $50 \times 10^3 \text{ m}^3/\text{d}$. The Gething formation, never produced and isolated below bridge plug, tested at a final rate of $28 \times 10^3 \text{ m}^3/\text{d}$, projected to quickly stabilize at $10 \times 10^3 \text{ m}^3/\text{d}$. Bluesky production has declined significantly and would appear to have depleted 75% of reserves, corroborated by a second reservoir pressure test conducted in February 2006. Commingled production will maximize production and recovery from both zones by providing sufficient rates to operate a dedicated compressor. Both zones are sweet gas. Although the Basal Bluesky zone is currently at a reduced comparative pressure, cross-flow should be minimized due to continuous production, and any gas charging should be recovered due to the favourable reservoir quality of this zone.

We wish to advise you that your 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 (2231.0 – 2233.0 mKB) and Gething (2314.0 – 2318.0 mKB) 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 20 % and Gething 80 %. 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.

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

Sincerely,

Ron Stefik, AScT
Sr Reservoir Engineering Technologist

RESOURCE CONSERVATION BRANCH

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 Fax: (250) 952-0301
Location: 6th Flr 1810 Blanshard St. Victoria BC