



OIL AND GAS COMMISSION

July 14, 2006

3340-2000-59240-06

Scott Thiessen
Reservoir Engineer
EnCana Corporation
150 9th Avenue SW
PO Box 2850
Calgary AB T2P 2S5

Dear Mr. Thiessen:

RE: GOOD ENGINEERING PRACTICE APPROVAL
CUTBANK PADDY FORMATION

The Commission has reviewed the application dated May 26, 2006 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Paddy formation of the Cutbank area.

Attached is a Good Engineering Project (GEP) scheme approval for the subject area. The Approval 06-06-046 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells without spacing and target considerations for maximization of gas recovery.

Should you have any questions, please contact Richard Slocomb at (250) 952-0366.

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachment

RESOURCE CONSERVATION BRANCH

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APPROVAL 06-06-046

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION

IN THE MATTER of a Good Engineering Practice (GEP) scheme of EnCana Corporation (EnCana) for producing Paddy formation gas wells in the Cutbank area without spacing and target restrictions.

NOW, THEREFORE, the Oil and Gas Commission (Commission), pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves the GEP scheme of EnCana as such scheme is described in

an Application from EnCana to the Commission dated May 26, 2006.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:
93-P-1: Block J – units 96 and 97
93-P-8: Block B – units 6, 7, 14-17, and 24-27.
2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the scheme area are not completed nearer than 250 m to the sides of the approved project area.
3. Gas wells located within spacing areas adjoining the border of the GEP area must be restricted to a daily gas allowable of $60.0 \times 10^3 \text{ m}^3$, per spacing area, as per Section 88(7) of the *Regulation*.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this day of July 2006.