



January 17, 2008

4470-8200-59240-06

Jamie Sollard
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Claudio Virues
Reservoir Engineer, South Sierra Business Unit
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Dear Ms. Sollard & Mr. Virues:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #11
GUNNELL CREEK - JEAN MARIE "A" POOL

Commission staff have reviewed your applications, dated October 29 and November 7, 2007 for amendment to Good Engineering Practice (GEP) scheme approval in the S Sierra/Sahtaneh/Elleh area.

The Commission's geological interpretation places the initial requested area in both the Gunnell Creek - Jean Marie "A" and Sierra - Jean Marie "A" pools. Therefore, the proposed area has been split in two parts, with seven gas spacing areas added to the existing Sierra GEP approval (under a separate cover letter) and the remainder incorporated into the Gunnell Creek GEP approval. Also, the Sahtaneh GEP area has been incorporated in the subject Gunnell Creek GEP approval.

Approval 98-06-003 (Amendment #11) is hereby granted under Part 8, Division 6, Section 101 of the Drilling and Production Regulation. The approval area has been enlarged, however, all other conditions remain unchanged. The specific area of addition in the Gunnell Creek GEP approval is;

Table with 3 columns: Approval ID, Block, and Units. Rows include 94-I-12 (Block I, J), 94-I-13 (Block A, B, C, H), and 94-I-14 (Block D, E).

The Sahtaneh GEP Approval 00-06-002 (Amendment # 1), granted on August 2, 2001 is hereby rescinded and the following area also incorporated;

Table with 3 columns: Approval ID, Block, and Units. Rows include 94-I-12 (Block I, J), 94-I-13 (Block A, B, G, H).

RESOURCE CONSERVATION

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

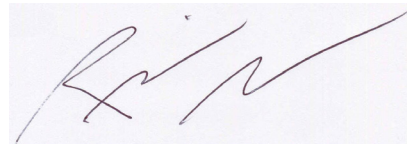
The subsequent application, dated November 7, 2007, requested GEP approval in the Elleh field. A major portion of the requested area is mapped by the Commission as an extension of the Gunnell Creek – Jean Marie “A” pool. The remainder of the area is granted GEP approval (under a separate cover letter) as the Elleh field – Jean Marie “B” pool. The area of addition based on the November application is as follows;

94-I-12	Block B	Units 100
	Block C	Units 6-10, 16-20, 26-30, 36-40, 46-50, 56-60, 66-70, 76-80, 86-90
	Block D	Units 1-7, 11-17, 21-27, 31-37, 41-47, 51-55, 61-65, 71-79, 81-89
	Block E	Units 1-5, 8, 9, 11-19, 21-29, 31-35, 41-45, 51-53, 61-63, 71-73, 81-83, 91-93
	Block F	Units 1-50, 54-60, 64-100
	Block G	Units 10, 20, 30, 40, 50, 78-80, 88-90, 94-100
	Block J	Units 4-10, 12-20, 22-30, 32-40, 42-50, 52-60, 62-70, 72, 73, 78-80, 82, 83, 88-90, 92, 93, 100
	Block K	Units 1-55, 61-65, 71-75, 81-85, 91-95
	Block L	Units 1-3, 11, 21, 31, 41
94-I-13	Block B	Units 2, 3, 10
	Block C	Units 1-5.

No objections were received following posting of a notice of these applications on the OGC website. This approval is intended to allow the drilling of wells without spacing and target consideration for maximization of gas recovery. The approval area includes the Jean Marie formation currently mapped in the Tsea and Petitot River fields as well. It is the expectation of the OGC that continued development will result in amalgamation into a single Gunnell Creek – Jean Marie “A” pool.

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

Sincerely,



Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering

Attachment

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APPROVAL 98-06-003 (Amendment #11)

**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 the Gunnell Creek - Jean Marie "A" and "H", Tsea - Jean Marie "A" and Petitot River – Jean Marie "A" gas pools without well spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby approves an amendment to the GEP scheme for drilling wells without spacing and target restrictions, as such scheme is described in

Applications to the Commission dated October 29, 2007 and November 7, 2007.

The scheme approval of September 27, 2007 (Amendment #10) is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of:

- 94-I-12: Block B - units 100
Block C - units 91-100
Block D - units 91-95, 98, 99
Block E - units 1-5, 8, 9, 11-19, 21-29, 31-35, 41-45, 51-53, 61-63, 71-73, 81-83, 91-93
Block F - units 1-50, 54-60, 64-100
Block G - units 10, 20, 30, 40, 50, 78-80, 88-90, 94-100
Block I - units 38, 39, 48, 49, 58-60, 68-70, 78-80, 88-90, 94-100
Block J - units 4-10, 12-20, 22-30, 32-40, 42-100
Block K - units 1-59, 61-69, 71-79, 81-89, 91-99
Block L - units 1-3, 11, 21, 31, 41

- 94-I-13: Block A – units 4-10, 14-20, 24-100
Block B – units 1-100
Block C – units 1-9, 11-19, 21-29, 31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97
Block F – units 1-7, 11-17, 21-27, 31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97
Block G – units 1-100
Block H – unit 1-51, 56-60, 61, 66-70, 78-80, 88-90, 100
Block I – units 10, 40, 50-100
Block J – units 1-10, 12-20, 22-100
Block K – units 1-7, 11-15, 21-25, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 91-95

- 94-I-14: Block D – units 40, 50, 60, 70, 80, 90, 100
Block E – units 10, 20, 30, 40, 50, 60, 70
Block L – units 60, 70, 80, 90, 100

- 94-P-3: Block D – units 10, 18-20, 28-30, 38-40, 48-50, 58-60, 68-70, 78-80, 88-90, 98-100
Block E – units 8-10, 20, 30, 40, 50, 60, 70, 80, 90

- 94-P-4: Block A – units 1-100
Block B – units 1-100
Block C – units 1-5, 11-15, 21-25, 31-35, 41-45, 51-57, 61-67, 71-77, 81-87, 91-97

Block F – units 1-7, 11-17, 21-27, 31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97
Block G – units 1-100
Block H – units 1-73, 78-83, 88-90, 100
Block I – units 10, 20, 30, 36-40, 46-50, 56-60, 66-70, 76-79, 86-89, 98, 99
Block J – units 1-70, 74-80, 84-90, 94-100
Block K – units 1-7, 11-17, 21-27, 31-37, 41-47, 51-57, 61-67, 71-77, 81-87, 91-97

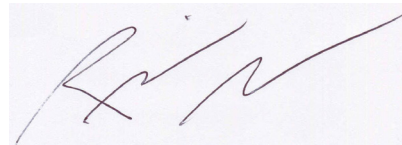
94-P-5: Block A – units 8, 9
Block B – units 4-10, 20, 30, 40, 50
Block C – units 1-7, 11-17, 21-27, 31-37, 41-47, 52-57, 62-67, 74-79, 84-89, 92-99
Block E – unit 91
Block F – units 2-9, 11-19, 21-29, 31-39, 41-49, 52-59, 62-69, 72-79, 82-89, 92-100
Block G – units 20, 30, 40, 50
Block K – units 2-10, 12-20, 22-30, 32-40, 42-50, 52-60, 62-70, 72-80, 82-90, 92-100
Block L – units 1, 11, 21, 31, 41, 51, 61, 71, 81, 91

94-P-12: Block C – units 2-10, 12-20, 22-30, 34-39, 44-49, 54-60, 64-70, 74-79, 80, 84-89, 90, 94-100
Block D – units 1, 11, 21, 51, 61, 71, 81, 91
Block E – units 1, 11, 21, 31, 41, 51, 61, 71, 81, 91
Block F – units 4-90, 94-100
Block G – units 20, 30, 40, 50, 60, 70, 80, 90
Block K – units 4-10, 14-17, 24-27, 34-40, 44-50, 54-60, 64-70, 74-80, 84-90, 94-100
Block L – units 1, 31, 41, 51-55, 61-65, 71-75, 81-85, 91-95

94-P-13: Block C – units 4-10, 14-20, 24-30, 34-40, 44-50, 54-60, 64-70, 80, 90, 100
Block D – units 1-5, 11-15, 21-25, 31-35, 41-45, 51-59, 61-69, 71-79, 81-89, 91-100
Block E – units 1-10, 14-20, 24-30, 34-40, 44-50, 54-60, 64-70
Block F – unit 10

94-O-16: Block A – unit 91
Block H – units 1, 11, 21, 31-33, 41-43, 51-55 and 61-65.

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 area.
3. The gas wells within the project area may be produced without individual well allowable restrictions.
4. This approval may be modified or rescinded at a later date if deemed appropriate.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 17th day of January, 2008.