

November 8, 2010

9021-5000-59240-06

C.L. Chomiak **Development Technologist** Canadian Deep Basin BU **EnCana Corporation** P.O. Box 2850 CALGARY, AB T2P 2S5

Dear Ms. Chomiak:

RE:

GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #1 OTHER THAN NORMAL SPACING ORDER, AMENDMENT #1

HERITAGE FIELD - MONTNEY "A" POOL

The Commission has reviewed your application dated August 19, 2010, requesting amendment of a Good Engineering Practice approval for the Brassey field - Montney formation.

The Commission maps this area within the regional Heritage field Montney "A" pool. Application is intended to extend successful development beyond the original approval area, as gas recovery from this resource benefits from the ability to produce horizontal wells in optimal locations, drilling from central sites. For regulatory purposes, the Commission designates the entire Montney sequence as a single formation, removing commingling as an issue.

As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Order 09-06-036 (Amendment #1) designating Good Engineering Practice, EnCana Project #5, within a portion of the regional Heritage field Montney formation as a Special Project under section 75 of the Oil and Gas Activities Act, and
- 2) Order 09-06-036-OTN (Amendment #1) approving Other Than Normal Spacing under section 65.1 of the Petroleum and Natural Gas Act for the subject formation and area.

As a Good Engineering Practice special project the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts. No objections were received following notice of application on the OGC website.

Should you have any questions, please contact Ron Stefik at (250) 419-4430.

Sincerely,

Richard Slocomb, P. Eng.

Supervisor, Reservoir Engineering

Resource Conservation

Attachments

IN THE MATTER of an application from EnCana Corporation to the Commission dated August 19, 2010 for a Good Engineering Practice project.

ORDER 09-06-036 (Amendment #1)

Under Section 75(1)(a) of the Oil and Gas Activities Act, the Heritage field – Montney "A" pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

NTS 93-P-06 Block HUnits 71-79, 81-89, 91-99

Block I Units 1-9, 11-15, 21-25, 31-37, 41-47, 51-59, 61-69, 71-79, 81-89, 91-99

NTS 93-P-07 Block B Units 76-80, 86-90, 96-100

Block C Units 71-77, 81-87, 91-97

Block E Units 51-59, 61-69, 71-100

Block F Units 1-7, 12-17, 22-27, 32-37, 42-47, 52-60, 62-70, 80, 90, 100

Block GUnits 6-10, 14-17, 24-27, 32-37, 42-47, 52-57, 62-67

Block K Units 10, 18-20, 28-30, 38-40, 48-50

Block L Units 1-50, 52-60, 62-70, 74-80, 84-90, 100

NTS 93-P-10 Block DUnit 10, 18-20, 28-30, 40, 50, 60, 70, 80, 90, 100

Block E Units 10, 20, 30, 40, 50

NTS 93-P-11 Block A Units 1-9, 11-19, 21-29, 31-39, 41-49, 51-55, 61-65, 71-75, 81-85, 91-95

Block HUnits 1-5, 11-15, 21-25, 31-37 and 41-47.

Alex Ferguson Commissioner

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this ${\it \gamma}$ day of November 2010.

IN THE MATTER of an application from EnCana Corporation to the Commission dated August 19, 2010 for Other Than Normal Spacing.

ORDER 09-06-036-OTN (Amendment #1)

Under Section 65.1(2) of the Petroleum and Natural Gas Act, Other Than Normal Spacing is approved within the Heritage field Montney formation within the following area;

NTS 93-P-06 Block HUnits 71-79, 81-89, 91-99

Block I Units 1-9, 11-15, 21-25, 31-37, 41-47, 51-59, 61-69, 71-79, 81-89, 91-99

NTS 93-P-07 Block B Units 76-80, 86-90, 96-100

Block CUnits 71-77, 81-87, 91-97 Block E Units 51-59, 61-69, 71-100

Block F Units 1-7, 12-17, 22-27, 32-37, 42-47, 52-60, 62-70, 80, 90, 100

Block GUnits 6-10, 14-17, 24-27, 32-37, 42-47, 52-57, 62-67

Block K Units 10, 18-20, 28-30, 38-40, 48-50

Block L Units 1-50, 52-60, 62-70, 74-80, 84-90, 100

NTS 93-P-10 Block DUnit 10, 18-20, 28-30, 40, 50, 60, 70, 80, 90, 100

Block E Units 10, 20, 30, 40, 50

NTS 93-P-11 Block A Units 1-9, 11-19, 21-29, 31-39, 41-49, 51-55, 61-65, 71-75, 81-85, 91-95

Block HUnits 1-5, 11-15, 21-25, 31-37 and 41-47.

2 Under section 65.1(3) of the Petroleum and Natural Gas Act, I specify the following:

- a) the target area for a gas well completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area,
- b) a gas well completed outside the specified target area may be subject to an off-target production penalty,

c) gas wells drilled within the specified project area are not subject to spacing requirements.

Richard Slocomb

Supervisor, Reservoir Engineering

Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this day of November 2010.