

March 8, 2004

5170-2800-59240-06 OGC - 04094

Bud Sambasivam Reservoir Engineer Cutbank Ridge EnCana Corporation 150, 9th Avenue S.W. P.O. Box 2850 Calgary AB T2P 2S5

En Cana Project #1 (03) En Cana Project #2 (04)

Dear Mr. Sambasiyam:

RE: GOOD ENGINEERING PRACTICE APPROVALS

KELLY CADOMIN FORMATION

(Cadomia "D")

The Commission has reviewed your application dated January 23, 2004 requesting Good Engineering Practice (GEP) schemes approvals for producing Cadomin Formation gas from two areas within the Cutbank Ridge area.

The OGC has designated the area of application to be Kelly field, Cadomin Formation.

Attached are Approvals 04-06-027 (EnCana Project #1) and 04-06-028 (EnCana Project #2) granted under Part 8, Division 6, Section 101 of the British Columbia Drilling and Production Regulation.

These approvals will allow the drilling of additional gas wells without regard for spacing and target regulations in order to optimize pool drainage and recovery. No objections were received following a publication of notice of the applications in the BC Gazette.

Should you have any questions, please contact Peter Attariwala at (250) 952-0311 or Ron Sterik at 952 0310.

Sincerely,

Approval Letters to industry GEP, SWD, CONCURRENT PROD. PRESSURE MAINTENANCE. WATERFLOOD, ETC.

Copy 9 Wellfile (originals) 59240 Daily Resource Revenue S. Chicorelli R. Stefik G. Farr P. Attariwala

D. Krezanoski

Craig Gibson, P. Eng. Director

Resource Conservation Branch

Attachments

APPROVAL 04-06-027

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 Kelly - Cadomin Formation gas wells without spacing and target restrictions.

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

an Application from EnCana to the Commission dated January 23, 2004.

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

1. The area of the scheme shall consist of:

93-P-1:

Block G – unit 91

Block H – units 51-55, 61-65, 74-77, 84-87, 94-100

Block I – units 4-10, 14-20, 24-30, 34-39, 44-49

Block J – units 1, 11 and 21.

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 This approval may be modified or rescinded at a later date if deemed appropriate.

Kameron Jones

Deputy Commissioner

Oil and Gas Commission

APPROVAL 04-06-028

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 Kelly - Cadomin Formation gas wells without spacing and target restrictions.

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

an Application from EnCana to the Commission dated January 23, 2004.

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

1. The area of the scheme shall consist of:

93-P-1:

Block I – units 76-80, 86-100

Block J – units 71, 81 and 91-93

93-P-8:

Block A – units 1-10, 14-20, 24-30, 38-40, 48-50, 58, 59, 68, 69

Block B - units 1-3, 11-13, 21-23, 31 and 41.

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

Kameron Jones

Deputy Commissioner

Oil and Gas Commission