5170-4900-59240-06



OIL AND GAS COMMISSION

February 3, 2009

Russell Brausse, P.Eng. Development Engineer Peace Country Business Unit EnCana Corporation 150 – 9th Avenue S.W. Calgary AB T2P 2S5

Dear Mr. Brausse:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1 KELLY – DOIG "A" POOL

Commission staff have reviewed the application dated October 31, 2008, requesting an amendment to the Good Engineering Practice (GEP) scheme approval granted March 16, 2007 for producing the Kelly field – Doig "A" gas pool.

The area of application was previously mapped by the OGC as several discreet Doig pools. Existing wells have displayed variability in production rates and expected ultimate recoveries, supporting this application. The Commission agrees that variation from normal well spacing and target areas is required to effectively drain this complex hetrogeneous pool, however has a concern regarding potential development that would accelerate production without benefiting ultimate recovery.

Attached is Good Engineering Practice (GEP) scheme Approval 07-06-010, Amendment #1, hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval enlarges the area but excludes three requested gas spacing areas to the south-east, considered unprospective for Doig based on current information. A notice of this application was posted to the OGC website, with no written objections received.

This approval is intended to allow the drilling and production of additional gas wells without spacing and target considerations for maximization of gas recovery, specifically targeting portions of the reservoir that would benefit from increased well density. Development locations should be located with regard to both gas recovery and avoidance of overlapping drainage areas, to avoid the necessity of the Commission imposing production allowable or well density conditions

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

Sincerely,

Richard Slocomb, P.Eng. Supervisor, Reservoir Engineering

Attachment

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

APPROVAL 07-06-010 (Amendment #1)

THE PROVINCE OF BRITISH COLUMBIA <u>PETROLEUM AND NATURAL GAS ACT</u> DRILLING AND PRODUCTION REGULATION OIL AND GAS COMMISSION

IN THE MATTER of a Good Engineering Practice (GEP) scheme of EnCana Corporation (EnCana) for producing Kelly Doig "A" pool gas wells 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 amends the GEP scheme of EnCana as such scheme is described in

an Application from EnCana to the Commission dated November 27, 2006, October 31, 2008 and related submissions.

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 G units 56, 57, 66, 67, 74-77, 84-87, 92-97 Block J – units 2-7, 12-19, 22-29, 32-40, 42-50, 52-60, 62-70, 74-80, 84-90, 98-100 Block K – units 31, 41, 51, 61, 71, 81, 91-95
 - 93-P-8: Block B units 8-10 Block C – units 1-5, 12, 13, 22 and 23.
- 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. 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.

N

Richard Slocomb Supervisor, Reservoir Engineering Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 5th day of February 2009.