

March 3, 2010

5170-4900-59240-06

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

Dear Mr. Brausse:

Commission staff have reviewed the application dated February 3, 2010, requesting an amendment to the Good Engineering Practice (GEP) scheme approval granted for producing the Kelly field – Doig "A" gas pool.

The Commission agrees that variation from normal well spacing and target areas is required to effectively drain this complex hetrogeneous pool.

Attached is Good Engineering Practice (GEP) scheme Approval 07-06-010, Amendment #2, hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval enlarges the area to include one additional gas spacing area, all other conditions remain unchanged. 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 and horizontal drilling.

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

Sincerely,

Richard Slocomb, P.Eng.

Supervisor, Reservoir Engineering

Attachment

APPROVAL 07-06-010 (Amendment #2)

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 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, February 3, 2010 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, 72-77, 82-87, 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.

Richard Slocomb Supervisor, Reservoir Engineering Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 3rd day of March 2010.