



November 10, 2010

5170-4900-59240-06

Russell Brausse, P.Eng.
Development Engineer
Peace River Business Unit
EnCana Corporation
P.O. Box 2850
CALGARY, AB T2P 2S5

Dear Mr. Brousse:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT, AMENDMENT #3
OTHER THAN NORMAL SPACING ORDER
KELLY FIELD – DOIG “A” POOL**

The Commission has reviewed your application dated October 15, 2010, requesting amendment of a Good Engineering Practice approval for the Kelly field – Doig “A” pool.

The application is intended to extend 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.

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 07-06-010 (Amendment #3) designating Good Engineering Practice, 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 07-06-010-OTN (Amendment #3) 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 operator is expected 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,

A handwritten signature in blue ink, appearing to read 'R. Slocomb', is written over a light blue horizontal line.

Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachments

IN THE MATTER of an application from EnCana Corporation to the Commission dated October 15, 2010 for a Good Engineering Practice project.

ORDER 07-06-010 (Amendment #3)

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Kelly – Doig “A” pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

93-P-1: Block G Units 54-57, 64-67, 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.



Richard Slocomb
Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 10 day of November 2010.

IN THE MATTER of an application from EnCana Corporation to the Commission dated October 15, 2010 for Other Than Normal Spacing.

ORDER 07-06-010-OTN (Amendment #3)

- 1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Kelly field Doig formation within the following area;

93-P-1: Block G Units 54-57, 64-67, 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

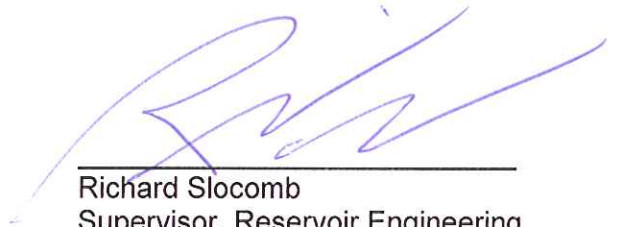
Block K Units 31, 41, 51, 61, 71, 81, 91-95

93-P-8: Block B Units 8-10

Block C Units 1-5, 12, 13, 22 and 23.

- 2 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 250 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 10 day of November 2010.