

June 14, 2011

5170-5000-59240-06

C.L. Chomiak  
Development Technologist  
Canadian Deep Basin BU  
EnCana Corporation  
150 – 9<sup>th</sup> Avenue SW  
CALGARY, AB T2P 2S5

Dear Ms. Chomiak:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT  
OTHER THAN NORMAL SPACING ORDER  
KELLY FIELD – MONTNEY FORMATION**

The Commission has reviewed your application dated May 5, 2011, requesting approval of Good Engineering Practice for an area within the Kelly field Montney formation.

For regulatory purposes, the Commission designates the entire Triassic Montney as a single formation. Development is presently limited within the application area, however reservoir characteristics would appear to be similar to other productive locations where gas recovery from this resource benefits from the ability to produce horizontal wells in optimal locations, drilling from central sites.

The following Orders are attached;

- 1) Order 11-06-026 designating Good Engineering Practice within a portion of the Kelly field Montney formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-026–OTN 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 posting of a notice of application on the OGC website.

Should you have any questions, please contact Richard Slocomb at (250) 419-4421 or Travis Mercure at (250) 419-4448.

Sincerely,



Alex Ferguson  
Commissioner  
Oil and Gas Commission

Attachments

IN THE MATTER of an application from EnCana Corporation to the Commission dated May 5, 2011 for a Good Engineering Practice project.

**ORDER 11-06-026**

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

NTS 93-P-1	Block A	Units 94-99
NTS 93-P-1	Block B	Units 72-80, 82-90, 96-100
NTS 93-P-1	Block C	Units 71, 81, 91-93
NTS 93-P-1	Block F	Units 1-3, 11-19, 21-29, 38, 39, 48, 49
NTS 93-P-1	Block G	Units 6-11, 16-21, 26-30, 32-39, 42-49, 51-57, 61-67, 71-77, 81-87, 94-97
NTS 93-P-1	Block H	Units 4-9, 14-20, 24-30, 34-39, 44-49, 56-60, 66-70, 78-80, 88-90
NTS 93-P-1	Block J	Units 4-7, 16-19, 26-29.



Alex Ferguson  
Commissioner  
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 14 day of June 2011.

IN THE MATTER of an application from EnCana Corporation to the Commission dated May 5, 2011 for Other Than Normal Spacing.

**ORDER 11-06-026-OTN**

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

NTS 93-P-1	Block A	Units 94-99
NTS 93-P-1	Block B	Units 72-80, 82-90, 96-100
NTS 93-P-1	Block C	Units 71, 81, 91-93
NTS 93-P-1	Block F	Units 1-3, 11-19, 21-29, 38, 39, 48, 49
NTS 93-P-1	Block G	Units 6-11, 16-21, 26-30, 32-39, 42-49, 51-57, 61-67, 71-77, 81-87, 94-97
NTS 93-P-1	Block H	Units 4-9, 14-20, 24-30, 34-39, 44-49, 56-60, 66-70, 78-80, 88-90
NTS 93-P-1	Block J	Units 4-7, 16-19, 26-29.

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  
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 14 day of June 2011.