



January 29, 2004

6140-4800-59240-06

OGC - 04032

Dan Baumgarten
Exploitation Engineer
EnCana Corporation
PO Box 2850
Calgary AB T2P 2S5

EnCana Project (02)

Dear Mr. Baumgarten:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
MONIAS - HALFWAY "V" POOL**

The Commission has reviewed the application dated November 17, 2003 requesting a Good Engineering Practice (GEP) scheme approval for producing gas from the Halfway formation of the Monias area.

The Commission has mapped the area of application to be within the Monias field, Halfway "V" gas pool.

Attached is a Good Engineering Project (GEP) scheme approval for a portion of the subject pool. The Approval 04-06-011 is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*.

This approval is intended to allow operational flexibility and to allow the drilling and production of additional gas wells without spacing and target considerations for maximization of gas recovery.

We note the objection to this application by Purcell Energy Ltd, dated October 29, 2003. At the present time there is no proven Halfway well located in section 2-82-23 W6M and denial of this application may limit ultimate gas recovery from this pool. Furthermore, under Section 88(7) of the *Regulation*, an individual well daily gas allowable may be applied to a well that is adversely affecting gas recovery outside of the GEP area. Also, condition #2 of the approval limits well locations to protect correlative rights.

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

Sincerely,

Craig Gibson, P. Eng.
Director
Resource Conservation Branch

Attachment

cc: John Emery, Purcell Energy Ltd.

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

RESOURCE CONSERVATION BRANCH

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 04-06-011

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 Monias Halfway "V" 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 approves the GEP scheme of EnCana as such scheme is described in

an Application from EnCana to the Commission dated November 17, 2003.

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

1. The area of the project shall consist of sections 11 and 12-82-23 W6M.
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.



Derek Doyle
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 29 day of January 2004.