

January 18, 2011

6430-5000-59240-06

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

Dear Ms. Chomiak:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
NOEL FIELD – MONTNEY “B” POOL**

The Commission has reviewed your application dated November 30, 2010, requesting approval of Good Engineering Practice for an area within the Noel field, Montney formation.

The area of application has been mapped within the Noel field Montney “B” pool, 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.

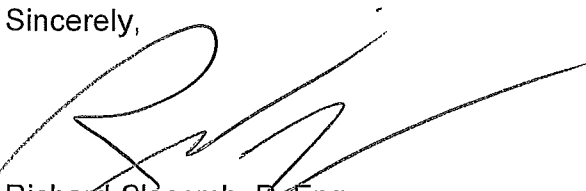
As a result of recent legislative changes, authorities previously contained in a single approval document for this activity are now covered in the attached;

- 1) Order 11-06-004 designating Good Engineering Practice within a portion of the Noel field Montney formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 11-06-004–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 Ron Stefik at (250) 419-4430.

Sincerely,



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

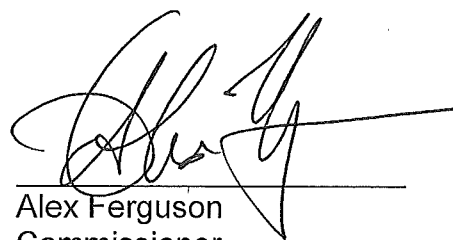
Attachments

IN THE MATTER of an application from EnCana Corporation to the Commission dated November 30, 2010 for a Good Engineering Practice project.

ORDER 11-06-004

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Noel 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-01	Block E	Units 91 - 93
	Block F	Unit 100
	Block K	Units 10, 20, 30, 40, 50, 60, 70, 80, 90
	Block L	Units 1-3, 11-15, 21-25, 31-35, 41-45, 51-59, 61-69, 71-79, 81- 89, 92-100
NTS 93-P-02	Block I	Unit 91
NTS 93-P-07	Block A	Units 1, 11, 21
NTS 93-P-08	Block C	Units 20, 30
	Block D	Units 2-13, 18-23, 28-30, 32, 33, 42 and 43.



Alex Ferguson
Commissioner
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 18 day of January 2011.

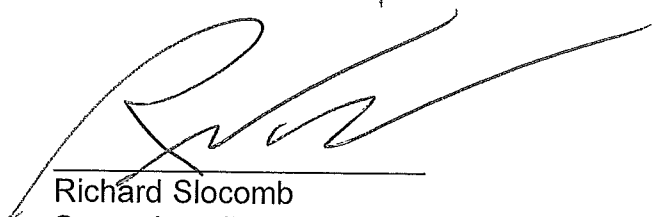
IN THE MATTER of an application from EnCana Corporation to the Commission dated November 30, 2011 for Other Than Normal Spacing.

ORDER 11-06-004-OTN

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

NTS 93-P-01	Block E	Units 91 - 93
	Block F	Unit 100
	Block K	Units 10, 20, 30, 40, 50, 60, 70, 80, 90
	Block L	Units 1-3, 11-15, 21-25, 31-35, 41-45, 51-59, 61-69, 71-79, 81- 89, 92-100
NTS 93-P-02	Block I	Unit 91
NTS 93-P-07	Block A	Units 1, 11, 21
NTS 93-P-08	Block C	Units 20, 30
	Block D	Units 2-13, 18-23, 28-30, 32, 33, 42 and 43.

- 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 150 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 18 day of January 2011.