



OIL AND GAS COMMISSION

May 26, 2006

7770-8200-59240-06

Vincent Zral, P.Eng.
Reservoir Engineer
EnCana Corporation
P.O. Box 2850
CALGARY, AB T2P 2S5

OIL AND GAS COMMISSION

MAY 29 2006

Dear Mr. Zral:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #4
SIERRA - JEAN MARIE "A" POOL

Attached is Approval 00-06-001 (Amendment #4) granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This amendment removes two gas spacing areas from the approval area for which the Petroleum and Natural Gas Lease, previously held by EnCana, have now expired and been cancelled.

The areas removed by this amendment are:

- 94-I-11 Block L – units 20, 30
- 94-I-12 Block I – units 11, 21
- 94-I-14 Block C – units 40, 50
- 94-I-14 Block D – units 31, 41

The approval allows the drilling of horizontal gas wells without regard for spacing and target regulations in order to optimize pool drainage and recovery. Please note that this approval also encompasses the Kotcho Lake East field Jean Marie "A" pool, defined by two non-producing wells located at 57-H/94-I-14. It is expected that continued delineation drilling will result in the amalgamation of this pool with the subject Sierra Jean Marie "A".

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

Sincerely,

Doug McKenzie
Director
Resource Conservation Branch

Attachment

Approval Letters to Industry
GEP, SWD, Concurrent Prod, Pressure
Maintenance, Waterflood, Etc.

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<input checked="" type="checkbox"/>	Daily	<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	Wellfile	<input type="checkbox"/>	D. Krezanoski
<input type="checkbox"/>	59240	<input type="checkbox"/>	L. Miller
<input type="checkbox"/>	R. Slocomb	<input type="checkbox"/>	Resource Rev.
<input type="checkbox"/>	R. Stefik	<input type="checkbox"/>	S. Chicorelli

RESOURCE CONSERVATION BRANCH

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APPROVAL 00-06-001 (AMENDMENT #4)
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 Sierra Jean Marie "A" pool and Kotcho Lake East Jean Marie "A" pool gas wells without spacing and target restrictions.

NOW, THEREFORE, the Commission, pursuant to Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*, hereby amends the GEP scheme for drilling horizontal wells without spacing and target restrictions, as such scheme is described in

an Application from EnCana to the Commission dated February 15, 2000, July 20, 2001, July 25, 2003 and December 5, 2003.

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

1. The area of the project shall consist of:

94-I-11:

Block F - unit 76, 77, 86, 87, 91, 96-99

Block G - units 98-100

Block J - units 8-10, 18-20, 28-30, 34-40, 44-50, 54-60, 64-70, 74-80, 84-90, 98-100

Block K - units 1, 6-9, 11-39, 41-49, 51-59, 61-69, 71-79, 81-89, 91, 94-100

Block L - units 11, 18, 19, 21, 28, 29, 36-39, 46-49, 56-59, 66-69, 72-79, 82-89, 91-93

94-I-13:

Block A - units 11 and 21

94-I-14:

Block A - units 18-20, 28-30, 40, 50, 58-60, 68-70, 76-80, 86-90, 96-100

Block B - units 8-15, 21-25, 31-100

Block C - units 1, 4-10, 16-20, 26-39, 41-49, 51-100

Block D - units 1-3, 11-30, 32-39, 42-49, 51-57, 61-67, 71-75, 81-85, 91-95

Block E - units 1-5, 11-15, 21-25, 31-35, 41-45, 51, 54-57, 61, 64-67

Block F - units 1-55, 60, 61-65, 70, 71-73, 81-83, 91-95

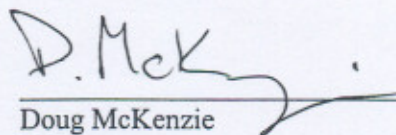
Block G - units 1-50, 58-60, 68-70, 72-80, 82-90, 92-100

Block H - units 6-10, 16-20, 26-30, 36-40, 46-50, 56, 57, 66, 67

Block J - units 2-10, 20, 30, 60, 70

Block K - units 1-5, 11-19, 21-29, 32-35, 42-45, 51-55 and 61-65.

2. The requirements of Section 10 of the *Drilling and Production Regulation* are hereby waived, provided that gas wells within the project 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.



Doug McKenzie
Director
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 26 day of May 2006.