

June 2, 2009

7770-8200-59240-06

Moruf Aminu, P.Eng. Reservoir Engineer EnCana Corporation 150 - 9 Avenue S.W. Calgary AB T2P 2S5

Dear Mr. Aminu:

RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #6
SIERRA – JEAN MARIE "A" POOL

The Commission has reviewed your application dated April 23, 2009 wherein you requested an amendment to Good Engineering Practice (GEP) scheme for the Sierra - Jean Marie "A" pool.

Within the amendment area, there are currently multiple Jean Marie wells per DSU, some of which are also off target, that were placed on production before GEP approval was granted. The Commission would like to remind EnCana that well spacing and target restrictions apply for areas without GEP approval, as per Section 10 of the *Drilling and Production Regulation*.

Attached is Approval 00-06-001 (Amendment #6), hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. This approval is intended to allow the drilling and production of gas wells at increased density without regard for normal spacing and target areas, for maximization of gas recovery.

The approval area includes the Jean Marie formation currently mapped in the Kotcho Lake field as well. It is the expectation of the OGC that continued development will result in amalgamation into the Sierra – Jean Marie "A" pool. No objections were received following public notice of the application on the OGC website.

Should you have any questions, please contact the undersigned (250) 952-0366 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Richard Slocomb, P.Eng.

Supervisor, Reservoir Engineering

**Resource Conservation** 

Attachment

## APPROVAL 00-06-001 (AMENDMENT #6)

## 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 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 April 23, 2009.

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

1. The area of the project shall consist of:

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94-I-11 Block F
                      Units 76, 77, 86, 87, 91 - 99
                      Units 98 - 100
         Block G
                      Units 60, 70, 80, 90, 96 - 100
         Block I
         Block J
                      Units 8 - 10, 16 - 20, 26 - 30, 32 - 40, 42 - 100
                      Units 1 - 9, 11 - 39, 41 - 49, 51 - 59, 61 - 69, 71 - 79, 81 - 89, 91 - 100
         Block K
                      Units 11 - 13, 18, 19, 21 - 23, 28, 29, 36 - 39, 46 - 49, 52, 53, 56 - 59, 62, 63, 66
         Block L
                            - 69, 72 - 79, 82 - 89, 91 - 93
                      Units 11, 21
94-I-13 Block A
94-I-14 Block A
                      Units 6 - 10, 18 - 20, 28 - 30, 38 - 40, 48 - 50, 58 - 60, 68 - 70, 76 - 80, 86 - 90,
                            96 - 100
          Block B
                      Units 1 - 100
          Block C
                      Units 1 - 39, 41 - 49, 51-100
          Block D
                      Units 1 - 3, 11 - 30, 32 - 39, 42 - 49, 51 - 59, 61 - 69, 71 - 79, 81 - 89, 91 - 99
                      Units 1 - 9, 11 - 19, 21 - 29, 31 - 39, 41 - 49, 51 - 59, 61 - 69, 71 - 75, 81 - 85
          Block E
         Block F
                      Units 1 - 75, 80 - 85, 90 - 95
          Block G
                      Units 1 - 53, 56 - 63, 66 - 70, 72 - 80, 82 - 90, 92 - 100
                      Units 6 - 10, 16 - 20, 26 - 30, 36 - 40, 46 - 50, 56, 57, 60, 66, 67, 70
          Block H
                      Units 2 - 10, 16, 17, 20, 26, 27, 30, 36 - 40, 46 - 50, 56 - 60, 66 - 70, 78 - 80,
          Block J
                      Units 1 - 5, 11 - 19, 21 - 29, 31 - 35, 41 - 45, 51 - 55, 61 - 65, 71 - 75, 81 - 85
          Block K
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- 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.

Richard Slocomb

Supervisor, Reservoir Engineering

Resource Conservation