



OIL AND GAS COMMISSION

February 5, 2008

8120-5000-59240-06

Ada Ng, EIT
Reservoir Engineer
Peace Country Business Unit
EnCana Corporation
150 - 9th Avenue S.W.
PO Box 2850
Calgary AB T2P 2S5

Dear Mr. Ng:

**RE: GOOD ENGINEERING PRACTICE APPROVAL
SUNRISE FIELD - MONTNEY FORMATION**

Commission staff have reviewed your application, dated November 26, 2007, requesting Good Engineering Practice (GEP) scheme approval in the Saturn area for developing the Montney formation.

The area of application is included within the present boundaries of the Sunrise field. For production and reserves purposes the zones within the Montney formation will be treated as one pool and as such defined as the Sunrise – Montney.

GEP Approval 08-06-006 is hereby granted under Part 8, Division 6, Section 101 of the *Drilling and Production Regulation*. No objections were received following public notice of the application on the OGC website.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Ron Stefik', is written over a light blue rectangular background.

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

Attachment

RESOURCE CONSERVATION

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

Headquarters: #200, 10003 110th Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729 Fax: (250) 261-5744 www.ogc.gov.bc.ca

APPROVAL 08-06-006

**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

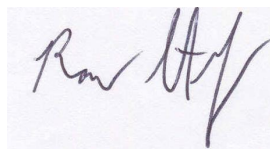
IN THE MATTER of a Good Engineering Practice (GEP) scheme of EnCana Corporation (EnCana) for producing Sunrise field – Montney formation gas wells without spacing, target and production restrictions.

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

an Application from EnCana to the Commission dated November 26, 2007.

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

1. The area of the project shall consist of:
Twp 79 Rge 17 W6M – sections 23 - 27, 35
Twp 80 Rge 17 W6M – sections 2, 3 and 10.
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

DATED AT the City of Victoria, in the Province of British Columbia, this 5th day of February 2008.