



OIL AND GAS COMMISSION

May 23, 2006

8135-5000-59240-06  
OGC - 06193

Sam Coles, P. Eng.  
Reservoir Engineer  
Canadian Foothills Region  
EnCana Corporation  
150 - 9<sup>th</sup> Avenue S.W.  
PO Box 2850  
Calgary AB T2P 2S5

Dear Mr. Coles:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #2  
SWAN LAKE - MONTNEY FORMATION**

Attached is a Good Engineering Practice (GEP) scheme approval amendment for the subject pool, as requested in your application of April 20, 2006.

The Montney formation is observed to be a very thick gross interval with production occurring from several sand/silt packages. The Commission has mapped the subject zone as two separate pools, the upper and lower Montney, designating them as the Montney "A" and Montney "B", respectively. For production and reserves purposes the Montney formation will be treated as one pool and as such will be defined as the Swan Lake - Montney.

The Approval 03-06-030 (Amendment #2) is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. No objections were received following a publication of notice of the application in the BC Gazette. 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. Only the approval area has been enlarged, all other conditions remain unchanged.

Please note that the approval area includes rights held under Drilling Licences 56330, 57478, and 56311 and Lease selection is required prior to taking production from wells completed within the Licence area.

If you have any questions, please contact Richard Slocomb at (250) 952-0366.

Sincerely,

Doug McKenzie  
Director  
Resource Conservation Branch

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

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<input 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. Stefk	<input type="checkbox"/>	S. Chicorelli

Attachment

**RESOURCE CONSERVATION BRANCH**

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www.ogc.gov.bc.ca

APPROVAL 03-06-030 (Amendment #2)

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 the Swan Lake – Montney pool 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 an amendment to the 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 April 20, 2006.*

The scheme approval amendment of June 22, 2005, is hereby amended subject to the conditions herein contained and, in particular:

1. The area of the project shall consist of:

93-P-9

Block A – units 94-100

Block B – units 80, 90-100

Block C – units 71-73, 81-83, 91-93

Block F – units 1-3, 11, 21, 31, 41

Block G – units 1-59, fractional units 61-69

Block H – units 4-60, fractional units 61-70

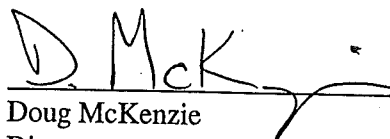
T77 – R13 W6M: fractional Sections 6 and 7

T77 – R14 W6M: Sections 1-12, 14-18

T76 – R15 W6M: fractional Sections 34-36

T77 – R15 W6M: Sections 1-3.

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 23 day of May 2006.