



OIL AND GAS COMMISSION

October 18, 2007

8135-5000-59240-06

Deb Gogol, C.E.T
Engineering Technologist
Canadian Foothills Region
EnCana Corporation
150 - 9th Avenue S.W.
PO Box 2850
Calgary AB T2P 2S5

Dear Ms. Gogol:

**RE: GOOD ENGINEERING PRACTICE APPROVAL 03-06-030 (AMENDMENT #4)
SWAN LAKE - MONTNEY**

Attached is a Good Engineering Practice (GEP) scheme approval for the subject pool, as requested in your application of July 31, 2007.

As stated in our previous correspondence, 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. However, 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 #4), 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 OGC website

The approval is intended to allow operational flexibility and to allow the drilling of additional gas wells without spacing and target considerations for maximization of gas recovery.

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

Sincerely,

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

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 03-06-030 (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 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 February July 31, 2007.

The scheme approval amendment (#3) of March 20, 2007, 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 78-80, 88-90, 94-100

Block B – units 56-60, 66-100

Block C – units 51-55, 61-65, 71-75, 81-85, 91-95

Block F – units 1-5, 11-15, 21-25, 31-35, 41-45, 51-55, fractional units 61-65

Block G – units 1-60, fractional units 61-70

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

T76 – R15 W6M: fractional Sections 34-36

T77 – R13 W6M: fractional Sections 6 and 7

T77 – R14 W6M: Sections 1-12, 14-18

T77 – R15 W6M: Sections 1-24, 27-32

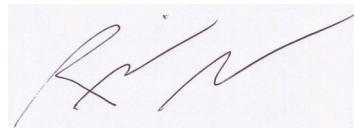
T77 – R16 W6M: Sections 1-3, 10-15, 22-24, 26-29, 32-36

T78 – R15 W6M: Section 6, 7

T78 – R16 W6M: Sections 1-5, 8-35

T78 – R 17 W6M: Sections 24, 25 and 35.

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, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation

DATED AT the City of Victoria, in the Province of British Columbia, this 18th day of October 2007.