



OIL AND GAS COMMISSION

June 22, 2005

8135-5000-59240-06

OGC - 05192

EnCana Project (02)

C.L. Chomiak  
Development Technologist  
Foothills & Frontier Region  
EnCana Corporation  
150, 9<sup>th</sup> Avenue S.W.  
PO Box 2850  
Calgary AB T2P 2S5

Dear Ms. Chomiak:

**RE: GOOD ENGINEERING PRACTICE APPROVAL, AMENDMENT #1  
SWAN LAKE - MONTNEY FORMATION**

Attached is a Good Engineering Project (GEP) scheme approval amendment for the subject pool, as requested in your application of April 20, 2005.

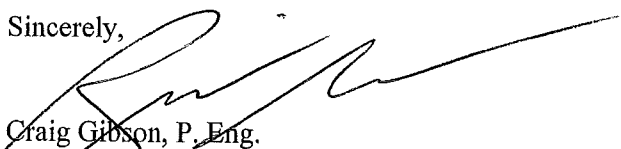
The Montney formation is observed to be a very thick gross interval with production occurring from several sand/silt packages. The Commission has mapped the subject zone as two separate pools, the upper and lower Montney, designating them as the Montney "A" and Montney "B", respectively. For production 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 #1) is hereby granted under Part 8, Division 6, Section 101 of the British Columbia *Drilling and Production Regulation*. 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 a portion of the approval area includes rights held under Drilling Licence 56330 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,

*per*   
Craig Gibson, P. Eng.  
Director  
Resource Conservation Branch

Approval Letters to Industry  
GEP, SWD, CONCURRENT PROD,  
PRESSURE MAINTENANCE,  
WATERFLOOD, ETC.

Copy 9

- Wellfile (originals)
- 59240
- Daily
- Resource Revenue
- S. Chicorelli
- R. Stefik
- G. Farr
- R. Slocomb
- D. Krezanoski

Attachment

**RESOURCE CONSERVATION BRANCH**

PO Box 9329 Stn Prov Gov't, Victoria BC V8W 9N3 Tel: (250) 952-0302 F  
Location: 6<sup>th</sup> Flr 1810 Blanshard St, Victoria BC

Headquarters: #200, 10003 110<sup>th</sup> Ave, Fort St. John BC V1J 6M7 Tel: (250) 261-5729

www.ogc.gov.bc.ca

**APPROVAL 03-06-030 (Amendment #1)**

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

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IN THE MATTER of a Good Engineering Practice (GEP) scheme of EnCana Corporation (EnCana) for producing a portion of 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, 2005.*

The scheme approval of August 13, 2003, 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 96-100

Block B – units 91-95

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

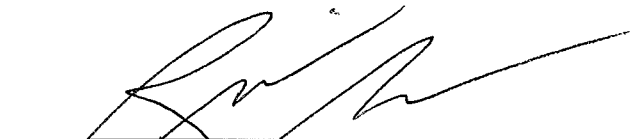
Block H - units 6-10, 16-20, 26-30, 36-40, 46-50, 56-60, and fractional units 66-70.

PE 1061

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.

  
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Per Craig Gibson  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 22<sup>nd</sup> day of June 2005.