February 4, 2008

8135-4900/5000-59070-20

Jamshed Khory Reservoir Engineer, Bissette EnCana Corporation 150 – 9<sup>th</sup> Avenue SW PO Box 2850 CALGARY AB, T2P 2S5

Dear Mr. Khory:

RE: COMMINGLED PRODUCTION APPROVAL <u>ECA ECOG SWAN d-5-H/93-P-9</u>; WA# 21368

The OGC has reviewed your application dated January 16, 2008, for approval to commingle gas production from the Doig and Montney formations in the subject well.

The Commission has designated the gas pools under application to be the Swan Lake – Doig "C" and Montney "A" pools. The Doig "C" is a single well pool and the Montney "A" is a large regional pool. The subject well commenced segregated production in September 2006, with the Doig producing through the annulus and the Montney through the tubing. To date, the Doig and Montney have produced 4.6 10<sup>6</sup> m³ and 16.0 10<sup>6</sup> m³, respectively and the daily gas rates have declined sharply to 4.0 10³ m³/d and 20.0 10³ m³/d, respectively. The performance in both zones is hindered by liquid loading. Commingled production of both zones through the tubing is expected to aid liquid lifting and therefore maximize production and recovery from the Doig and Montney. Both zones are sour gas. The reservoir pressure of the two zones is very similar and interference testing has shown that they are in communication behind the casing.

Your application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

- 1. Production from the Doig (2361.0–2374.0 mKB) and Montney (2390.0–2413.0 mKB) formations may be commingled.
- 2. Gas, condensate and water production should be allocated on the Ministry of Small Business and Revenue BC S-1, BC S-2 and BC-08 forms on the basis of Doig 22 % and Montney 78%. The allocation factors may be amended to reflect results of any future tests.
- 3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0310 or Kelly Okuszko at (250) 952-0325.

Sincerely,

Ron Stefik, AScT

Sr Reservoir Engineering Technologist