



November 28, 2012

8120-2200-59240-06

Deb Gogol
Reservoir Engineering Technologist
EnCana Corporation
150 - 9th Avenue S.W.
Calgary, AB T2P 2S5

Dear Ms. Gogol:

**RE: GOOD ENGINEERING PRACTICE SPECIAL PROJECT
OTHER THAN NORMAL SPACING ORDER
SUNRISE FIELD – CADOTTE POOL**

The Commission has reviewed your application dated November 5, 2012, requesting approval of Good Engineering Practice for an area within the Sunrise field - Cadotte formation.

Horizontal wells, drilled to produce water and associated sweet gas, will be completed outside of gas target areas. Water, the primary objective of these wells, will be pipelined to drilling pad locations, displacing the use of surface water for completion operations. Gas will be conserved to sales, the well primary product for regulatory and royalty purposes will be noted as gas. Water and gas recovery from this resource will benefit from the ability to produce horizontal wells in optimal locations, drilling from central sites.

The following Orders are attached;

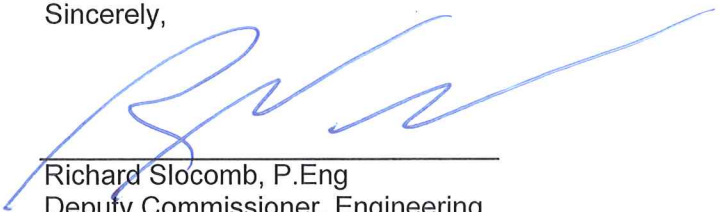
- 1) Order 12-06-025 designating Good Engineering Practice within a portion of the Sunrise field Cadotte formation as a Special Project under section 75 of the *Oil and Gas Activities Act*, and
- 2) Order 12-06-025-OTN approving Other Than Normal Spacing under section 65.1 of the *Petroleum and Natural Gas Act* for the subject pool and area.

Several sections of land in the area of application are not included in this Order. An amendment application may be submitted should additional development be required.

As a Good Engineering Practice special project, the applicant intends to locate, complete and operate wells in a manner to optimize resource recovery while minimizing surface impacts. No objections were received following notice of application on the OGC website.

Should you have any questions, please contact Ron Stefik at (250) 419-4430 or Michelle Gaucher at (250) 419-4482.

Sincerely,



Richard Slocomb, P.Eng
Deputy Commissioner, Engineering
Oil and Gas Commission

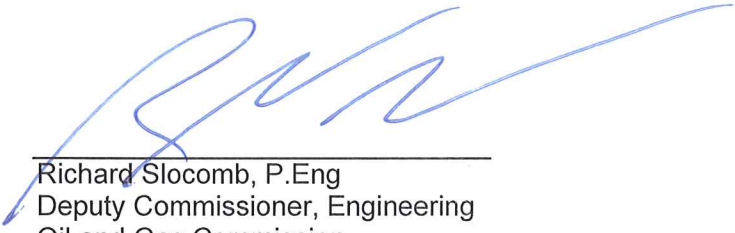
Attachments

IN THE MATTER of an application from EnCana Corporation to the Oil and Gas Commission dated November 5, 2012, for a Good Engineering Practice project.

ORDER 12-06-025

- 1 Under Section 75(1)(a) of the *Oil and Gas Activities Act*, the Sunrise field – Cadotte pool is designated as a special project for the enhanced recovery of natural gas utilizing Good Engineering Practice within the following area;

DLS Twp 78 Rge 17 W6M - Sections 32 – 36.



Richard Slocomb, P.Eng
Deputy Commissioner, Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 29th day of November 2012.

IN THE MATTER of an application from EnCana Corporation to the Oil and Gas Commission dated November 5, 2012 for Other Than Normal Spacing.

ORDER 12-06-025-OTN

1 Under Section 65.1(2) of the *Petroleum and Natural Gas Act*, Other Than Normal Spacing is approved within the Sunrise field Cadotte formation within the following area;

DLS Twp 78 Rge 17 W6M - Sections 32 – 36.

2 Under section 65.1(3) of the *Petroleum and Natural Gas Act*, I specify the following:

- a) the target area for a gas well completed within the project area is not nearer than 150 m to the sides of the Other Than Normal Spacing area
- b) a gas well completed outside the specified target area may be subject to an off-target production penalty
- c) gas wells drilled within the specified project area are not subject to spacing requirements.



Ron Stefik, Eng.L.
A/Supervisor, Reservoir Engineering
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 29th day of November 2012.