

March 17, 2010

9000-7400-32640-02

Adam Reilly, P.Eng.
Completions Engineer
EnCana Corporation
150 – 9th Avenue SW
Calgary, AB T2P 2S5

Dear Mr. Reilly:

**RE: SALT WATER DISPOSAL APPROVAL
ECA ECOG ETSHO d-C70-J/94-O-08 (WA# 24469); DEBOLT FORMATION**

Commission staff have reviewed the information submitted March 10, 2010, requesting permission to dispose of produced water, in support of your application for an injectivity test dated October 19, 2009, into the Debolt formation of the subject well.

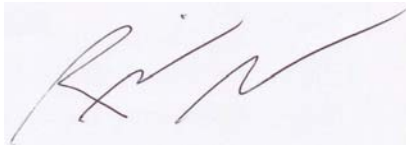
A water injectivity test, approved October 22, 2009, has been successfully performed. The required production/swab test found the zone to be water bearing with no commercial hydrocarbon potential.

We concur that the subject well appears to be a good candidate for salt water disposal in the Debolt formation. Attached is Approval 10-02-004 for the application, granted under Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*. This well will support area shale gas production operations. Notice of your application was posted on the OGC website with no objections received.

Section 7(1) of the *Oil and Gas Waste Regulation* under the Environmental Management Act states, in part: "... the operators of equipment or facilities are authorized to discharge **produced water or recovered fluids from a well completion or workover** to an underground formation in accordance with section 94 of the *Drilling and Production Regulation* ...". Therefore no additional permits are required for subsurface disposal of the proposed fluids.

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

Sincerely,



Richard Slocomb, P. Eng.
Supervisor, Reservoir Engineering
Resource Conservation

Attachment

APPROVAL 10-02-004

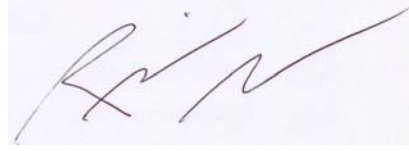
**THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
OIL AND GAS COMMISSION**

IN THE MATTER of a scheme of EnCana Corporation (EnCana) for Salt Water and Recovered Fluids Disposal in the Other Areas - Debolt formation in the well ECA ECOG ETSHO d-C70-J/94-O-08 (WA# 24469).

NOW, THEREFORE, pursuant to Part 8, Division 3, Section 94 of the *Drilling and Production Regulation*, the scheme is hereby approved, as such scheme is described in

an application from EnCana to the Commission dated October 19, 2009 and related supplemental submission dated March 10, 2010.

1. The disposal interval must be in the Debolt formation.
2. A record of volume of salt water and recovered fluid disposed of through this well must be included on a Monthly Injection/Disposal Statement, in the prescribed form (BC-S18), which must be submitted to the Oil and Gas Commission not later than the 25th day of the month following the reported month.
3. The disposal/injection pressure at the sandface must not exceed the formation fracture pressure.
4. The Commission must be notified in writing of the date of commencement of disposal.
5. This approval may be modified or rescinded if deemed appropriate through a change in circumstances.



Richard Slocomb
Supervisor, Reservoir Engineering
Resource Conservation
Oil and Gas Commission

DATED AT the City of Victoria, in the Province of British Columbia, this 17th day of March 2010.