

*Via E-mail: ernstj@telusplanet.net*

April 24, 2012

**Ms. Jessica Ernst**

Dear Ms. Ernst:

**E-MAIL ENQUIRY OF APRIL 11, 2012  
ENCANA CORPORATION (ENCANA)  
APPLICATION NO. 1722402  
REQUEST FOR RESCISSION OF SPECIAL GAS WELL SPACING**

This letter is in response to your e-mail dated April 11, 2012 to Energy Resources Conservation Board (ERCB) employee Stephen Smith, which has been referred to the writer for response. Our responses to the questions posed in your e-mail are outlined below in the order in which you posed them.

- 1) Question/Comment: Please fix the error on your website and or send me a digital copy of the application and all related documents filed and kindly acknowledge receipt of my email, and request, and extend the time for viewing these documents on your website.

Answer: We have no current explanation as to why you encountered difficulty accessing the application on the ERCB's website. ERCB staff have investigated this problem and confirm the application is now available via the Integrated Application Registry (IAR) section on the ERCB's website. Thank you for bringing this to our attention.

Normally we would refer you to the ERCB's Information Services branch for the information you seek regarding Application No. 1722402. However, given your difficulties in accessing the materials via the ERCB website, we have provided a scanned version of all the information submitted and registered as Application No. 1722402. In future, should you encounter similar difficulties, please contact the EAS Administrator to report problems with the IAR system and ERCB Information Services for information relating to applications filed with the ERCB.

- 2) Question: Is this application for all sections in Twp 27, Rge 22, W4M and for any others?

Answer: Application No. 1722402 relates to 22 sections within Township 27, Range 22 W4M. All of the sections/locations to which the application relates are listed in Application No. 1722402. The application covers only those sections listed in it.

- 3) Question: Is this a down spacing application? For how many wells?

Answer: In Application No. 1722042 EnCana sought approval to **rescind** existing special well spacing (a holding) for gas produced from coals (Edmonton and Belly River Group), which allows for 8 wells per pool per section. Application No. 1722042, which was approved by the ERCB on April 23, 2012, removes the well spacing for gas production for the area referenced in it. As a result, the area is now subject to the standard spacing prescribed in section 4.021(1) of the *Oil and Gas Conservation Regulations* (OGCR). Please note that, as per section 4.021(1)(a)(ii) of the OGCR, there is currently no prescribed number of wells that may be produced from each section. Therefore, additional wells could be drilled and produced by EnCana at these locations in future. The ERCB currently has no information before it regarding EnCana's future plans in this area.

4) Question: Will shales be drilled and frac'd?

Answer: Application No. 1722042 does not specify if EnCana has plans to drill and produce from shales in this particular area. There is no requirement for such information in this type of application.

5) Question: Any fish scale shales?

Answer: Application No. 1722042 does not specify if EnCana is planning to develop the Fish Scale zone and there is no requirement to include that information in the application. We suggest you direct any further questions regarding EnCana's plans directly to EnCana.

6) Question: What chemicals where [sic] injected in past EnCana wells drilled and frac'd in my community?

Answer: In this circumstance the Board is acting in its adjudicative capacity, not in an advisory capacity. That said, under Part 2 and Appendix 3 of ERCB *Directive 059: Well Drilling and Completion Data Filing Requirements (Directive 059)*, licensees are required to keep daily records of drilling, completion, reconditioning, and abandonment operations and to submit that information to the ERCB within 30 days of completion of operations. The information must be submitted with the daily completion reports and is typically included in the Tour Reports filed with the Core Research Centre. Unless the well is a confidential well under section 12.150 of the OGCR, this information is available publicly on request. Assuming it retained copies of its daily operations reports and/or Tour Report(s) for wells drilled by it in your community, EnCana may be prepared to provide copies of those records to you. Alternatively, you can contact the Core Research Centre to obtain the Tour Reports for wells drilled by EnCana in your community. To do so, we understand you will be required to provide specific well locations.

With respect to fracturing operations specifically, Appendix 3 of *Directive 059* requires licensees to disclose the type, quantity and size of propping agents, the type and volume of carrier fluids, additives, the type and quantity of plugging agents, feed rates, pressures, fracture extent, orientation measures, and service company job reports. However, the ERCB does not currently require licensees to provide detailed disclosure of the chemical composition of fracturing fluids.

7) Question: Will any chemicals be needed for wells and or facilities related to this new application?

Answer: As indicated above, Application No. 1722402 is an application to rescind an existing holding and does not request approval for, or outline any information regarding, EnCana's drilling plans for any future wells that it may seek approval for. Nor is that information required in an application of this type. At present, the ERCB has no information before it regarding EnCana's future development plans for the area.

8) Question: Will there be any consultation with anyone other than the ERCB for this application?

Answer: *Directive 065* does not prescribe any specific notification and/or consultation requirements for an application to rescind a holding. Also, the ERCB does not have any information regarding whether EnCana has plans to notify or consult with anyone regarding Application No. 1722402.

Any further questions should be directed to the ERCB's Customer Contact Centre by e-mail to [Inquiries@ercb.ca](mailto:Inquiries@ercb.ca) or by telephone at (403) 297-8311 or toll free at 1-855-297-8311.

Yours truly,



Patricia M. Johnston, Q.C.  
General Counsel

enclosures