

EnCana Corporation

Applications for Well Licences Westerose Field

May 9, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-040: EnCana Corporation, Applications for Well Licences, Westerose Field

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

ENCANA CORPORATION
APPLICATIONS FOR WELL LICENCES
WESTEROSE FIELD

Decision 2006-040 Applications No. 1431956 and 1431968

1 DECISION

Pursuant to Section 20 of the Alberta Energy and Utilities Board *Rules of Practice*, the Alberta Energy and Utilities Board (EUB/Board) hereby accepts EnCana Corporation's (EnCana's) request for withdrawal of Applications 1431956 and 1431968.

2 INTRODUCTION

2.1 Applications

EnCana applied to the EUB pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations* for six licences to drill six slant wells from a common surface location. Application No. 1431956 is for five wells to be drilled from the surface location Legal Subdivision (LSD) 6, Section 33, Township 44, Range 3 West of the 5th Meridian. The expected bottomhole locations of the five wells are LSD 3-33-44-3W5M, 4-33-44-3W5M, 12-33-44-3W5M, 14-33-44-3W5M, and 16-33-44-3W5M. Application 1431968 is for one slant well to be drilled from the surface location of LSD 6-33-44-3W5M, with an expected bottomhole location of LSD 1-33-44-3W5M. The maximum hydrogen sulphide concentration would be about 0.0 moles per kilomole (0.0 per cent). The purpose of the wells would be to obtain natural gas production from the Horseshoe Canyon Formation, as well as to obtain natural gas from coals from the horseshoe Canyon Formation and from the Edmonton Group. The proposed surface location would be about 1.3 kilometres south of the Village of Hoadley.

2.2 Interventions

Dieter Lohmann and Beate Lohmann are registered landowners of the quarter section where the proposed well pad location would be situated. Mr. Lohmann, Ms. Lohmann, and additional members of the Lohmann family filed an objection to the applications. The Rottmerhusen family, area landowners, also filed objections.

2.3 Hearing

The Board was scheduled to hold a public hearing in Rimbey, Alberta, on May 30, 2006, before Board Member J. R. Nichol, P.Eng. (Presiding Member), Board Member J. D. Dilay, P.Eng., and Acting Board Member R. N. Houlihan, Ph.D., P.Eng.

3 DISCUSSION

On April 24, 2006, EnCana and members of the intervening parties engaged in a facilitation in an attempt to resolve the outstanding concerns. On April 26, 2006, EnCana requested that

Applications No. 1431956 and 1431968 be withdrawn. In light of EnCana withdrawing its applications, the Board is satisfied that a hearing is not necessary for the Board to make a disposition of the subject applications and therefore cancelled the hearing.

Dated in Calgary, Alberta, on May 9, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

J. R. Nichol, P.Eng. Presiding Member

<original signed by>

J. D. Dilay, P.Eng. Board Member

<original signed by>

R. N. Houlihan, Ph. D., P.Eng. Acting Board Member