

EnCana Corporation

Applications for a Well Licence and a Pipeline Licence Ghost Pine Field

May 13, 2008

ENERGY RESOURCES CONSERVATION BOARD

Decision 2008-038: EnCana Corporation, Applications for a Well Licence and a Pipeline Licence, Ghost Pine Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

ENCANA CORPORATION APPLICATIONS FOR A WELL LICENCE AND A PIPELINE LICENCE GHOST PINE FIELD

Decision 2008-038 Applications No. 1519486 and 1520734

DECISION

The Energy Resources Conservation Board has considered the findings and recommendations set out in the following examiner report, adopts the recommendations, and directs that EnCana Corporation's Applications No. 1519486 and 1520734 be withdrawn and the hearing be cancelled.

Dated in Calgary, Alberta, on May 13, 2008.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

Dan McFadyen Chairman

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING ENCANA CORPORATION APPLICATIONS FOR A WELL LICENCE AND A PIPELINE LICENCE GHOST PINE FIELD

Decision 2008-038 Applications No. 1519486 and 1520734

1 RECOMMENDATION

The examiner panel recommends that the Energy Resources Conservation Board (ERCB/Board) accept EnCana Corporation's (EnCana's) request to withdraw Applications No. 1519486 and 1520734. The examiner panel further recommends that no hearing is necessary to consider the applications, as they have been withdrawn.

2 INTRODUCTION

2.1 Applications

EnCana applied to the Alberta Energy and Utilities Board (EUB), pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for a licence to drill a horizontal well from a surface location at Legal Subdivision (LSD) 12, Section 3, Township 31, Range 23, West of the 4th Meridian, to a bottomhole location at LSD 7-3-31-23W4M. The purpose of the well would be to obtain coalbed methane from the Mannville and Upper Mannville Formations. No hydrogen sulphide (H_2S) was expected to be encountered in the well.

EnCana also applied, pursuant to Part 4 of the *Pipeline Act*, for approval to construct and operate a pipeline for the purpose of transporting natural gas containing no H₂S from the proposed well at LSD 12-3-31-23W4M to an existing pipeline tie-in at LSD 11-3-31-23W4M. The proposed pipeline would be 0.52 kilometres (km) in length, with a maximum outside diameter of 88.9 millimetres. The proposed pipeline would be located about 8.1 km southeast of Three Hills.

Effective January 1, 2008, the EUB was replaced by the ERCB and the Alberta Utilities Commission. This application is within the ERCB's jurisdiction. In accordance with the transition provisions of the *Alberta Utilities Commission Act*, the decision on this application is issued by the ERCB.

2.2 Intervention

Blaine Tucker is the landowner of the west half of Section 3-31-23W4M, on which the proposed well and pipeline would be located. Mr. Tucker filed an intervention in opposition to the subject application, raising concerns regarding contamination of his water well, the surface location of the proposed well, the potential for a compressor or large facility on site, fencing of the site, and concerns regarding supervision of the construction and reclamation of the proposed well and pipeline.

3 DISCUSSION

On April 25, 2008, EnCana notified the ERCB that it wished to withdraw Applications No. 1519486 and 1520734, pursuant to Section 21 of the *Energy Resources Conservation Board Rules of Practice*. The examiner panel recommends that the Board accept the request to withdraw Applications No. 1519486 and 1520734 and confirm that a public hearing to consider the applications is no longer necessary.

Dated in Calgary, Alberta, on May 13, 2008.

ENERGY RESOURCES CONSERVATION BOARD

<see footnote>

T. J. Pesta, P.Eng.* Presiding Member

<original signed by>

L. D. Wilson-Temple Examiner

<original signed by>

B. A. Austin, P.Geol. Examiner

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^{*} Mr. Pesta was not available for signing but agrees with the contents of the report.