

STATE OF LOUISIANA
OFFICE OF CONSERVATION
BATON ROUGE, LOUISIANA

June 30, 2011

ORDER NO. 917-L-19

Order concerning permission to drill, designate and utilize a horizontal well as an alternate unit well for **HA RA SUU**, in the **BRACKY BRANCH FIELD**, Red River Parish, Louisiana.

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of the Louisiana Revised Statutes of 1950, and after a public hearing held under **Docket No. 11-368** in Baton Rouge, Louisiana, on **June 21, 2011**, upon the application of **ENCANA OIL & GAS (USA) INC.**, following legal publication of notice and notice in accordance with the rules prescribed by the Commissioner of Conservation, the following Order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the natural resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells, and otherwise to carry out the provisions of the laws of this State.

DEFINITION

The Haynesville Zone, Reservoir A, in the Bracky Branch Field, Red River Parish, Louisiana, was defined in Office of Conservation Order No. 917-L, effective September 16, 2008.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That Office of Conservation Order No. 917-L, effective September 16, 2008, as amended and supplemented by the 917-L Series of Orders, established rules and regulations and created drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Bracky Branch Field, Red River Parish, Louisiana, including the unit designated HA RA SUU.
2. That the available geological, engineering or other appropriate information indicates that it would be reasonable and in the interest of conservation to permit the applicant to drill, designate and utilize a horizontal well as an alternate unit well for HA RA SUU, at the location shown on the plat labeled, "Encana Oil & Gas (USA) Inc. - Exhibit No. 3 for Docket No. 11-368", a copy of which is attached hereto.
3. That an alternate unit well to be drilled on HA RA SUU at the location designated in accordance with Finding No. 2 above, is necessary and in the interest of conservation and will efficiently and economically drain a portion of the Haynesville Zone, Reservoir A, underlying HA RA SUU, which cannot be efficiently and economically drained by any existing well within such unit.
4. That with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within or to serve HA RA SUU, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit boundary and any offset well(s) should be calculated based on the distance to the nearest perforation in the well and not based on the penetration point or terminus.
5. That the operator of HA RA SUU should be allowed to produce the unit allowable from either the unit well, the alternate unit well, or any combination thereof, at the discretion of the operator.

ORDER

NOW, THEREFORE, IT IS ORDERED THAT:

1. Encana Oil & Gas (USA) Inc., is hereby authorized to drill, designate and utilize a horizontal well as an alternate unit well for HA RA SUU, at the location shown on the plat labeled, "Encana Oil & Gas (USA) Inc. - Exhibit No. 3 for Docket No. 11-368", a copy of which is attached hereto and made a part hereof.

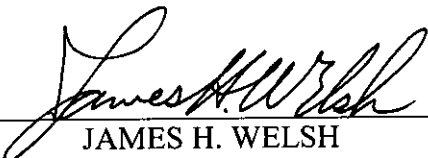
2. With respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within or to serve HA RA SUU, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit boundary and any offset well(s) shall be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus.

3. The operator of HA RA SUU is hereby authorized to produce the unit allowable in accordance with Finding No. 5 hereof.

4. Except to the extent contrary herewith, the provisions of Office of Conservation Order No. 917-L, effective September 16, 2008, as amended and supplemented by the 917-L Series of Orders, and all applicable Statewide Orders, shall remain in full force and effect.

This Order shall be effective on and after June 21, 2011.

OFFICE OF CONSERVATION
OF THE STATE OF LOUISIANA



JAMES H. WELSH
COMMISSIONER OF CONSERVATION

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Encana Oil & Gas (USA) Inc.
Exhibit No. 3 for Docket No. 11-368
Attached

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