



The **New** Encana:
the clear energy choice

USA Division | **PICEANCE**
Darrin Henke, Vice-President, South Rockies
Business Unit



The Piceance Gas Factory Story

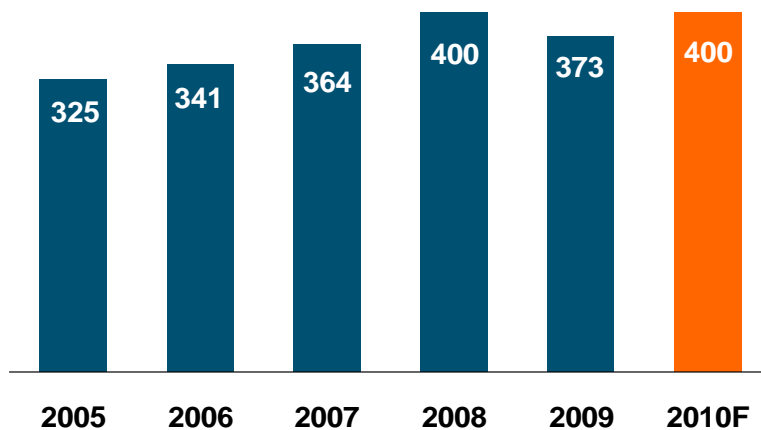




Piceance

Production

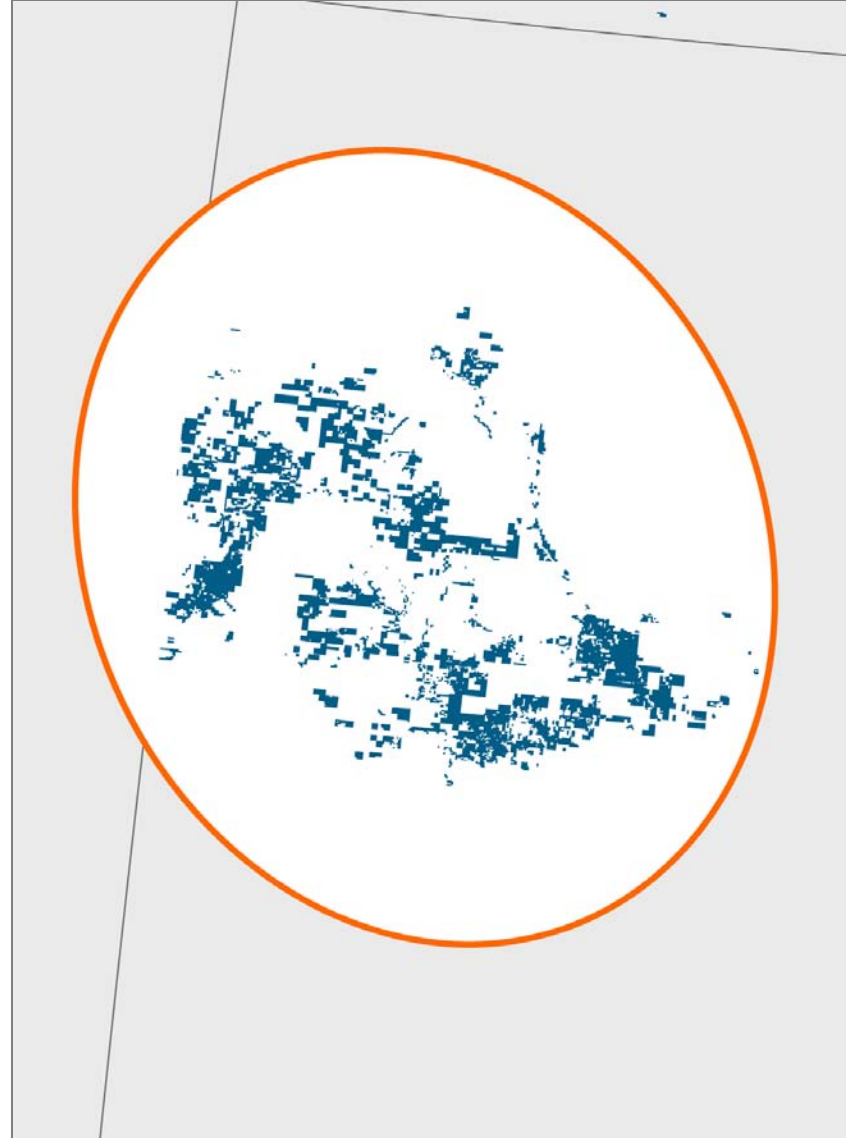
MMcfe/d



- Large, repeatable inventory
- Low geologic and reservoir risk
- Third party capital enhancing returns
 - \$750 million deployed since 2006
 - \$370 million additional committed
 - 2009 F&D = \$0.58/Mcfe

F&D based on 1P Reserves & 1C Economic Contingent Resources

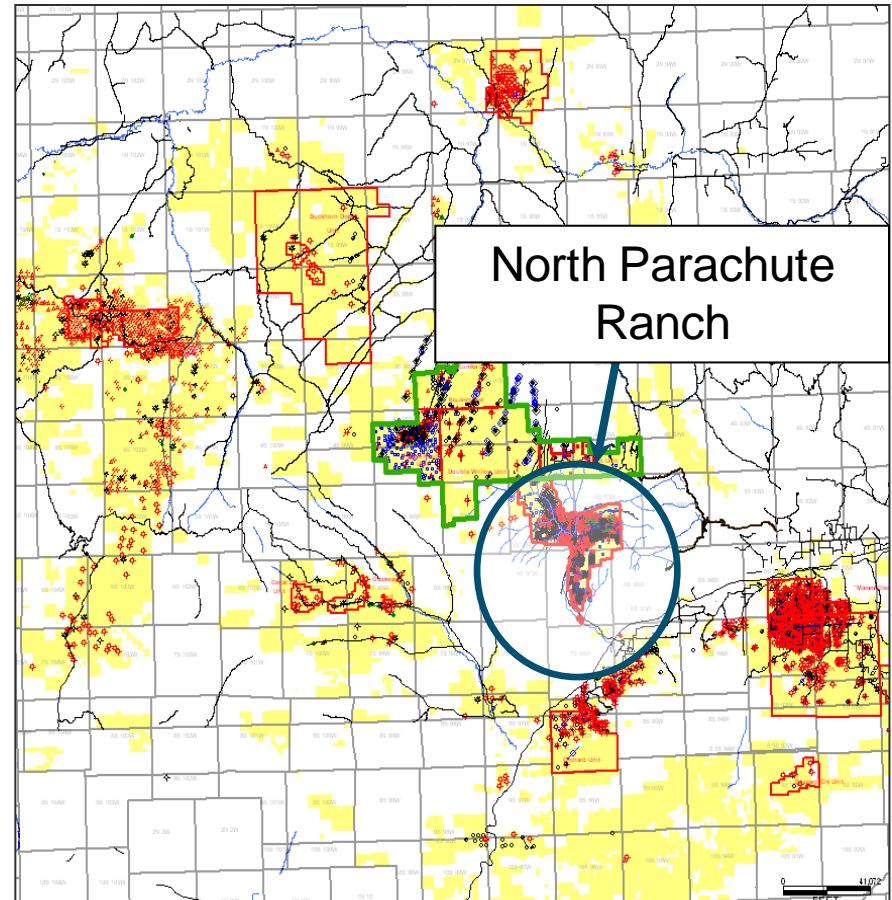
■ Encana Land (Dec. 31, 2009)
Total Piceance Net Acres: 869,000



Piceance Gas Factory

North Parachute Ranch

- Acquired in 2004
 - Tom Brown - lease
 - Unocal
 - Minerals
 - Surface
 - Key pipelines
- 25,000 mineral acres
- 45,000 surface acres
- 200 net MMcf/d
- 540 wells
- 4 active rigs



Greater Piceance Basin Area Encana Lands

Piceance Gas Factory

- Multi-well pad drilling – minimize footprint
- Simultaneous operations
- Fluid management
 - Fracing
 - Gathering
- Efficiency
 - Reduce cycle times
 - Reduce costs
 - Optimize production



Fit-For-Purpose Rigs

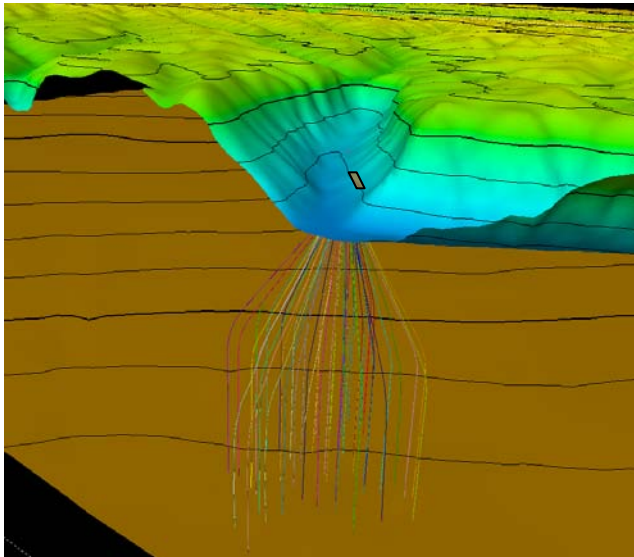
- Multi-well pad drilling
- Simultaneous operations
- Larger pumps
- Self skidding system
- Top drive
- Closed-loop mud system



Piceance Gas Factory

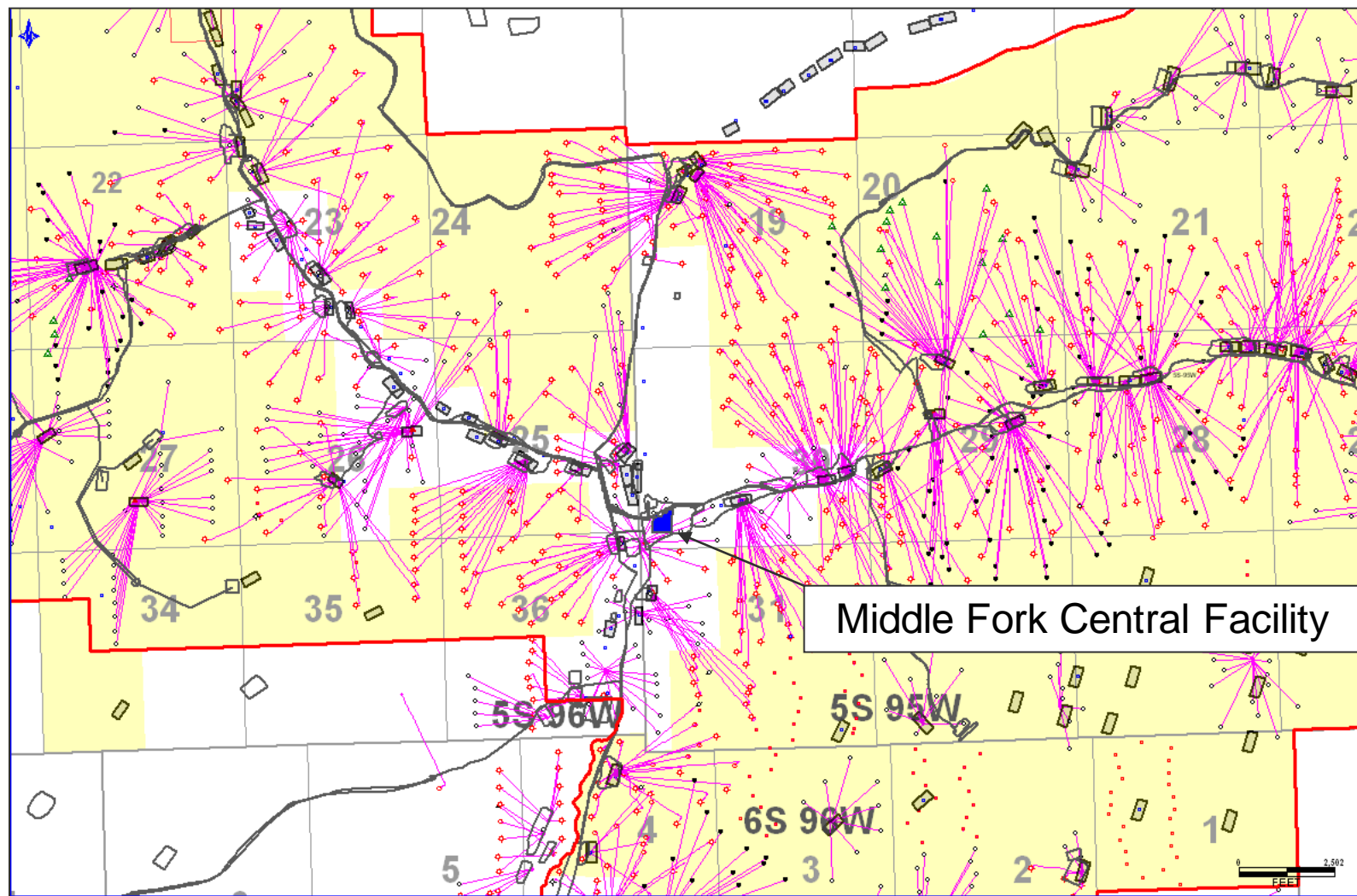
Multi-Well Pad Drilling

- 52 well pad
- 4.2 acres
- 9 production meter houses
- 3 gas lift meter houses
- No tanks
- No separators



Piceance Gas Factory

North Parachute Ranch Pad Drilling



← One
Mile →

Piceance Gas Factory

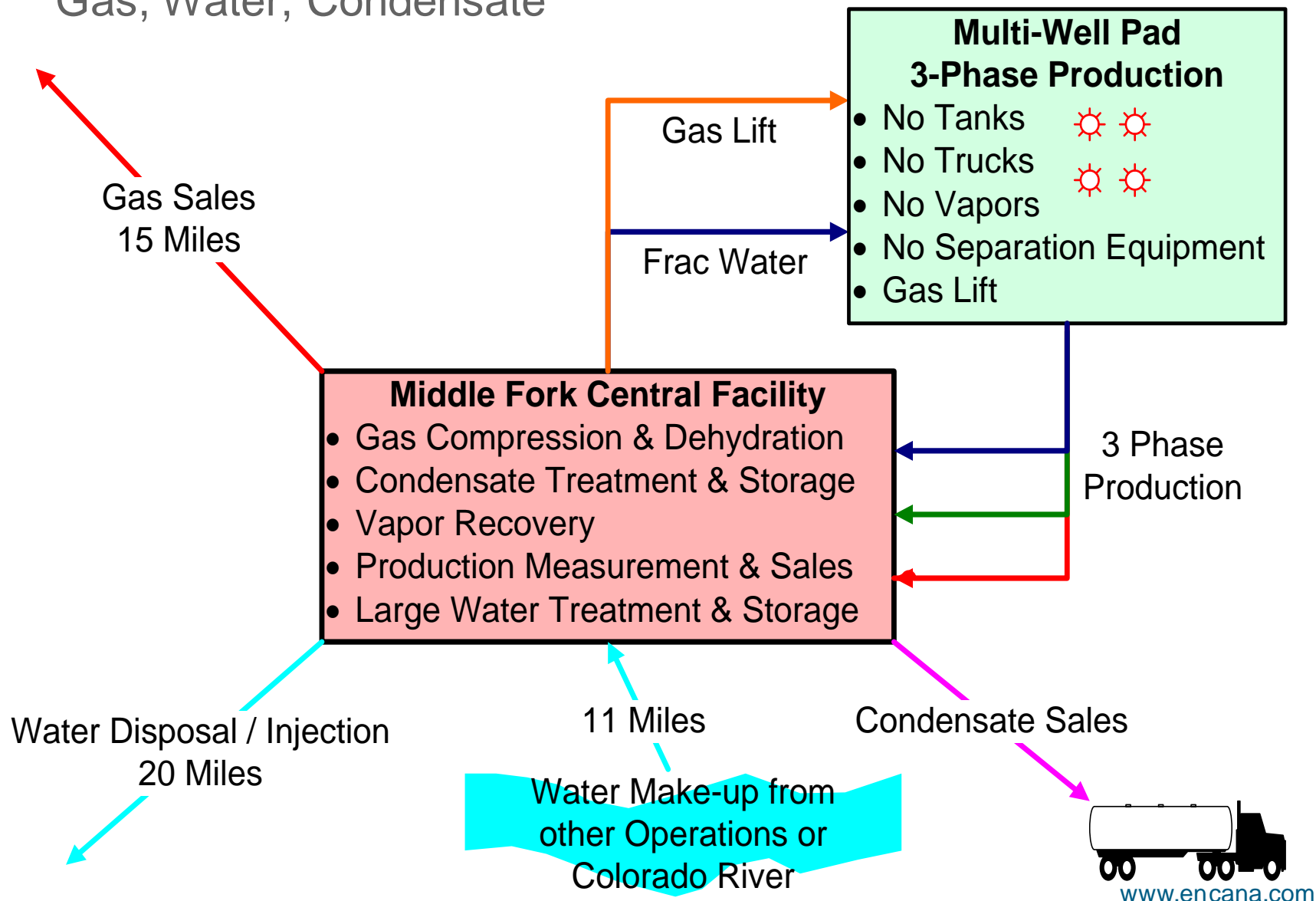
Middle Fork Central Facility

- 17 miles of pipeline
 - 3-phase gathering
 - Water distribution
 - Gas lift
- 217,000 barrels water storage
- 4 high pressure water distribution pumps
- 60,000 hp gas compression
- 360 MMcf/d capacity



3-Phase Fluid Management

Gas, Water, Condensate



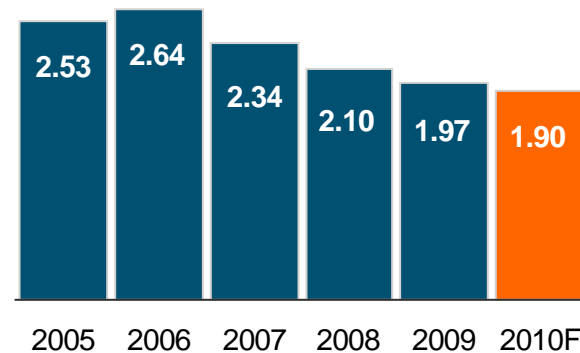
Piceance Gas Factory – North Parachute Ranch

Continued Operational Improvement

- Continuous improvement
- Increasing frac volumes
- Drill bit & mud motor advancements

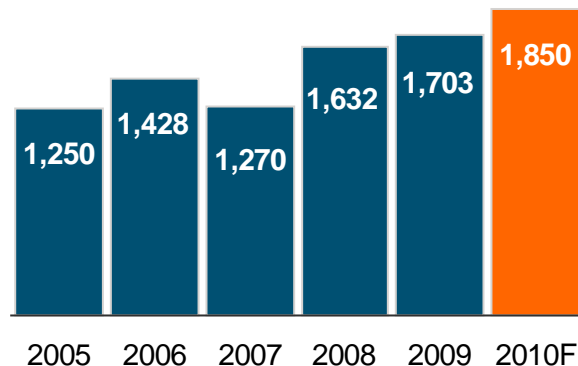
Total Well Costs

DC&T/Well \$MM



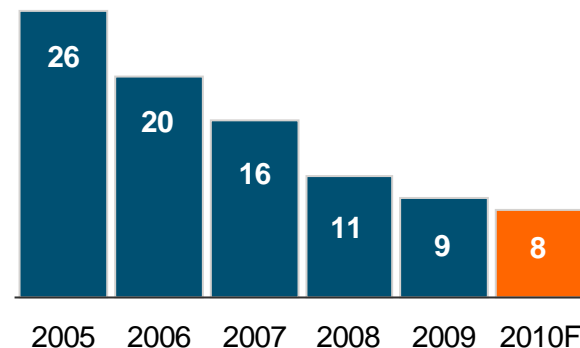
Initial Production

30 Day IP (Mcf/d)



Drilling Cycle Time

Spud to RR (Days)



Piceance Gas Factory

Results

- Reduce truck trips
>50,000/year
- Reduce pad-to-pad rig moves
- Recycle > 90% of produced water
- Reduce drilling & completion cycle time
- Optimize frac efficiency
- Optimize production via gas lift
- Expanding utilization throughout Encana

