

AV “Unconventional” Discovery Thinking in Resource Plays: Haynesville Trend, North Louisiana*

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Selected Reference

Beer, J., C. Neumann, J. Fleckenstein, S. Peiffer, and C. Blodau, 2009, Influence of groundwater flow on sediment pore-water biogeochemistry: *Geochimica et Cosmochimica Acta*, v. 73/13S, p. A102.

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Discovery Thinking Forum
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Future Oriented Information

In the interest of providing Encana Corporation (“Encana” or the “Company”) shareholders and potential investors with information regarding the Company, its subsidiaries, including management’s assessment of the Company’s future plans and operations, certain statements and graphs throughout these presentations contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 or “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking statements in this presentation include, but are not limited to, statements and tables with respect to: target annual production growth rate over the next 5 years; projected production by product in 2010; proved reserves, developed and undeveloped land holdings; estimated reserves life index; 2010 projected upstream capital expenditures and natural gas production by division; estimated natural gas in place and wells that will be drilled in 2009 and 2010; estimated rates of return at various NYMEX gas prices; projected key and forecast metrics; 2010 capital and production budgets; target natural gas growth up to 2010; projections of potential future dividends and normal course issuer bid share purchases at Encana and the source of funds therefore; 2010 projected cash flow and the sources of the same; anticipated increase of natural gas supply and demand in North America; projections of 2010 production from various Key Resource Plays; expected infrastructure to be built at the Horn River basin and Montney; expected pipeline capacity expansions in the Texas/Mid-Continent/Gulf Coast region; gas shale production growth in Canada and the U.S.; and Encana’s expected ranking among its peers.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company’s actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: volatility of and assumptions regarding oil and gas prices; assumptions based upon the Company’s current guidance, as well as assumptions based upon 2010 Encana guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the Company’s marketing operations, including credit risks; imprecision of reserves estimates and estimates of recoverable quantities of oil, natural gas and liquids from resource plays and other sources not currently classified as proved reserves; marketing margins; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying processing facilities; risks associated with technology; the Company’s ability to replace and expand gas reserves; its ability to generate sufficient cash flow from operations to meet its current and future obligations; its ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the Company’s ability to secure adequate product transportation; changes in royalty, tax, environmental, greenhouse gas, carbon, accounting and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the Company operates; the risk of war, hostilities, civil insurrection and instability affecting countries in which the Company operates and terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the Company; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Encana. Although Encana believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive.

Forward-looking information respecting anticipated 2010 cash flow for Encana (post transaction) is based upon achieving average production of oil and gas for 2010 of between 3.2 and 3.3 Bcfe/d, commodity prices for natural gas of between NYMEX \$5.50 - \$6.15/Mcf, crude oil (WTI) between \$65.00 - \$85.00, U.S./Canadian dollar foreign exchange rates between \$0.85 - \$0.96 and an average number of outstanding shares for Encana of approximately 750 million. Assumptions relating to forward-looking statements generally include Encana’s current expectations and projections made by the Company in light of, and generally consistent with, its historical experience and its perception of historical trends, as well as expectations regarding rates of advancement and innovation, generally consistent with and informed by its past experience, all of which are subject to the risk factors identified elsewhere in this presentation.

Furthermore, the forward-looking statements contained in this presentation are made as of the date of this presentation, and, except as required by law, Encana does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

Haynesville / Bossier Shale Discovery Acknowledgements

Contributors:

Land Capture & Exploration - Encana New Ventures Team, David Hill, Tom Smagala, Andrea Stienle, Gary Houghton, Alastair Nichol, Tim Duplantis, Richard Newhart, Peter Smith, Brent Miller, Mark Tobey

Pilot to Commercial Demonstration – Encana New Ventures Team, Encana Mid Continent B.U., Shell North American Exploration

Commercial Development – Encana Mid Continent B.U., Texana Team, Shell North American Exploration

Permission & Materials:

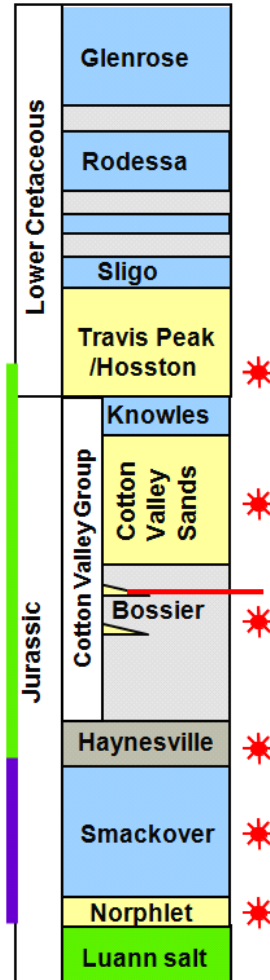
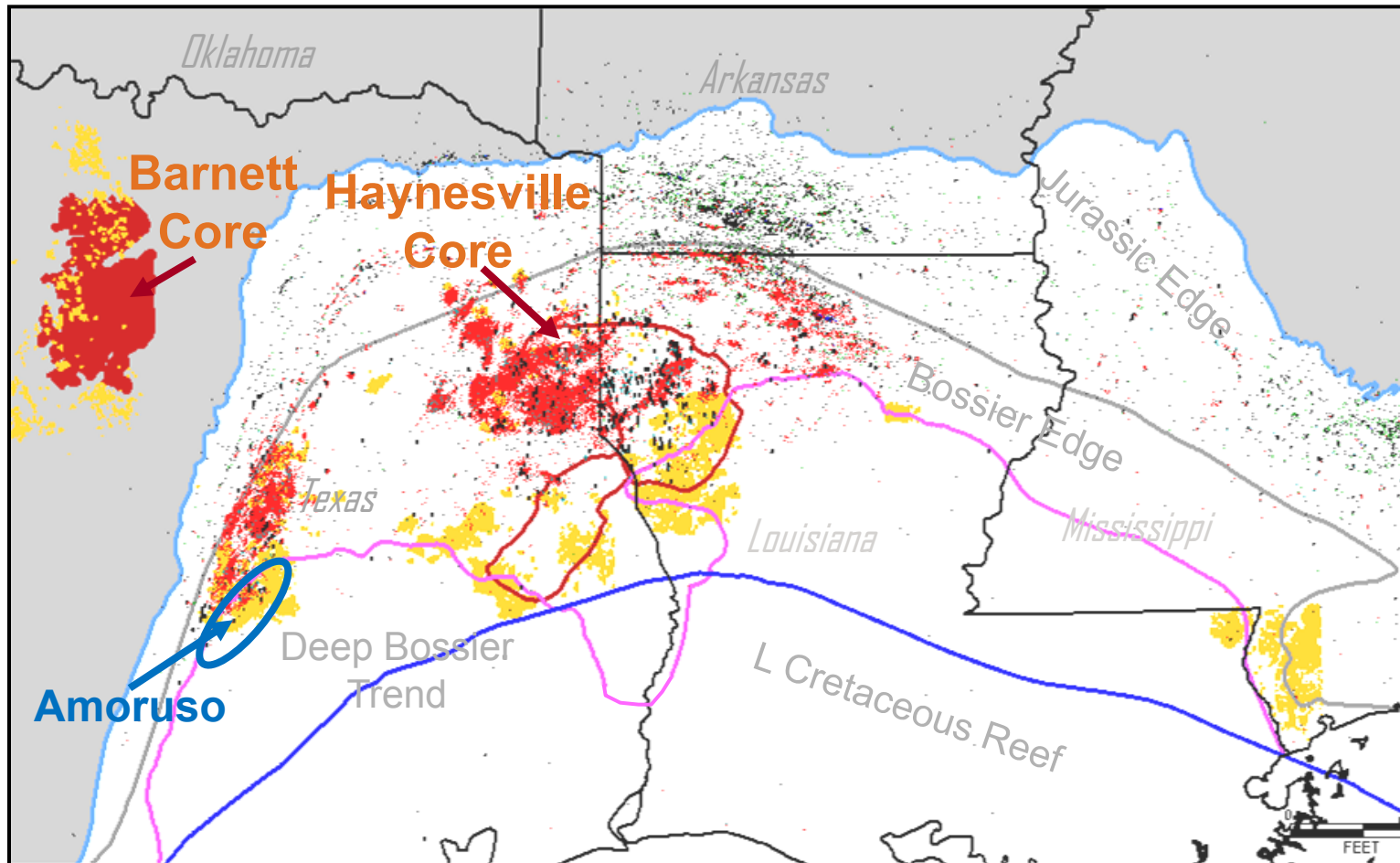
Encana Corporation

Haynesville / Bossier Shale Discovery Technical Perspective

- Vintage Maps
- Discovery Concepts
- Play Evolution
- Technology Uses
- Current Status

Gulf Coast Jurassic Trend

> 1 Million Acres on Trend



* Jurassic Production

100 mi.

Jurassic Trend

Deep Basin Gas Cell Attributes

■ Is a continuous-type gas accumulation



■ Lack obvious seal/trap



■ Areally &/or vertically pervasive



■ Gas prone source proximal to reservoir



■ Gas saturated



■ Gas generation window



■ Abnormally pressured



■ Often have enhanced ϕ / k sweet spots



■ Lack a downdip water contact



■ Updip transition to wet or discontinuous reservoirs



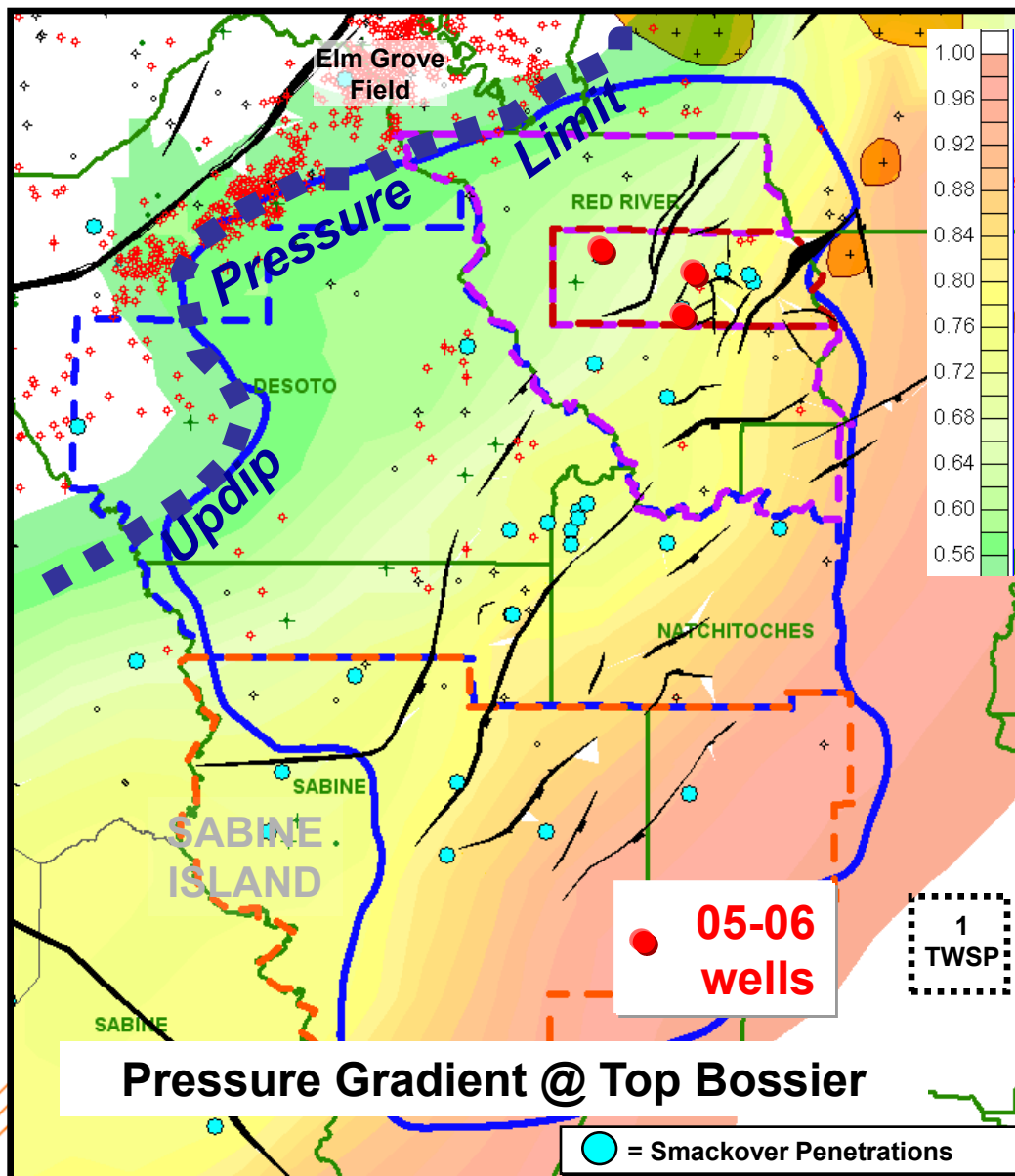
■ Low ϕ (<10%) & k (<0.1 md) matrix



■ Large OGIP, low RF

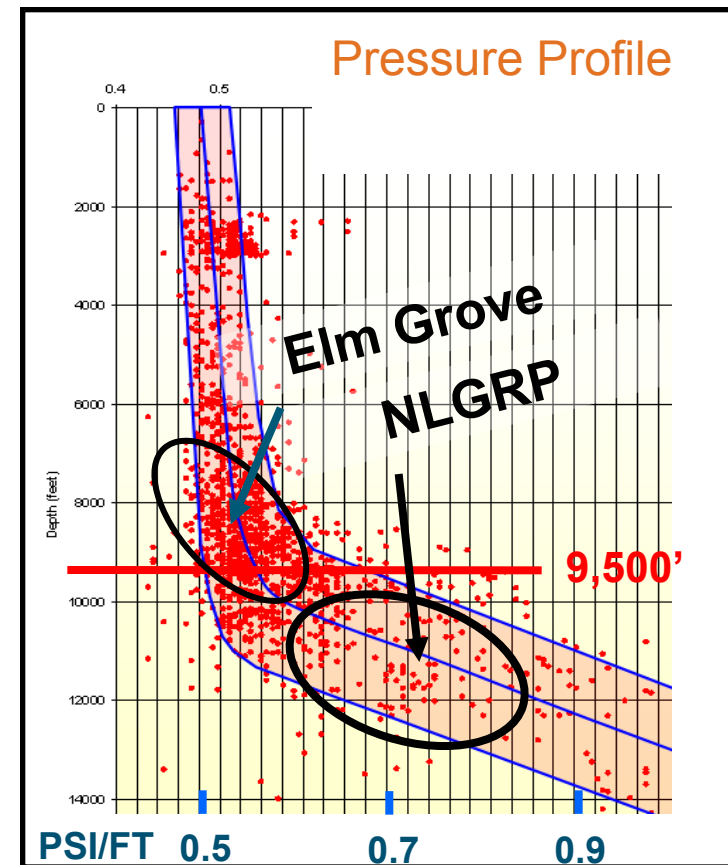


North Louisiana Resource Play Vintage Map

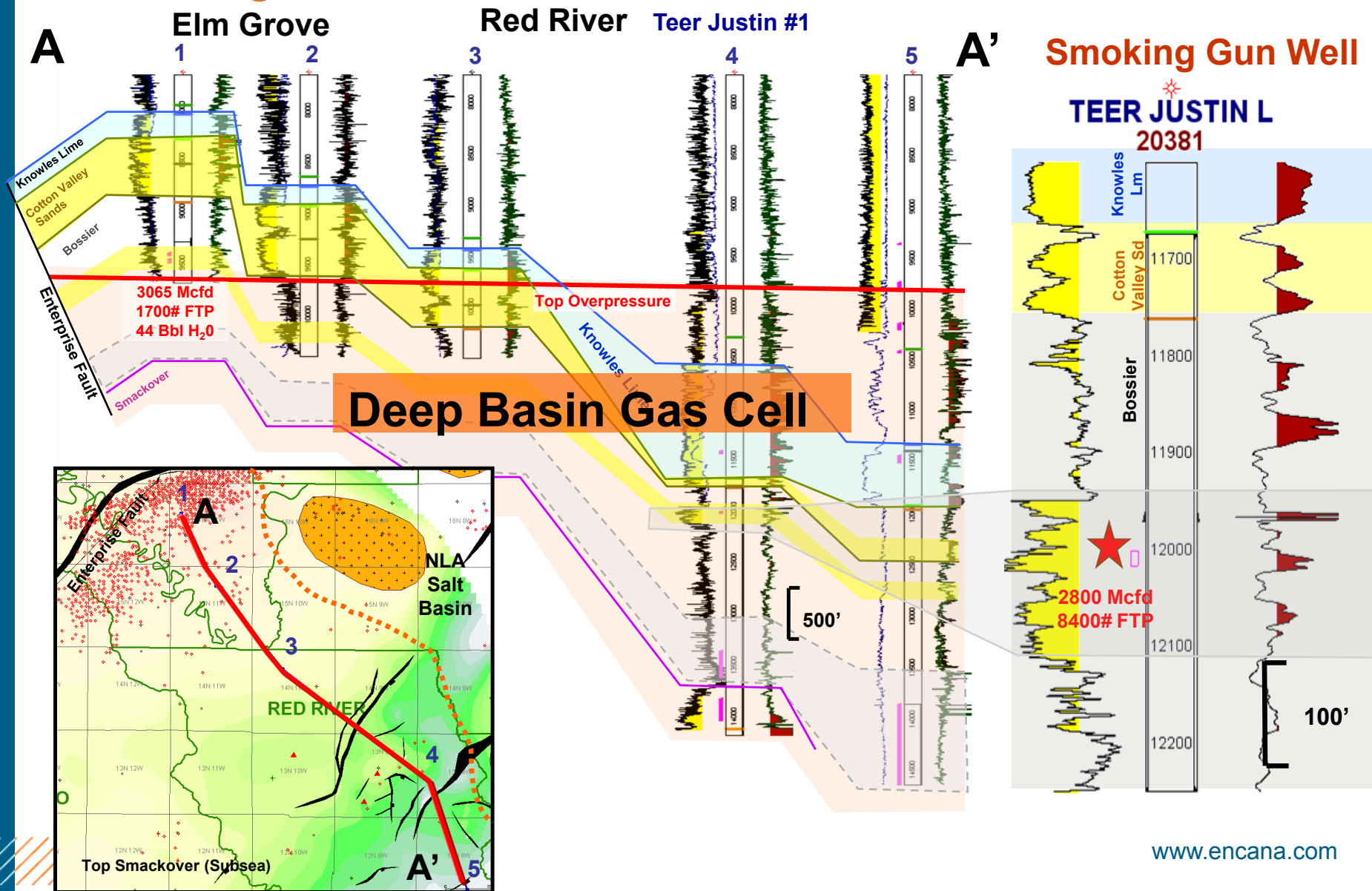


Pressure Gradient Map:
generated using a mud weight to depth and pressure relationship

- Top of Bossier overpressure occurs at approximately 9500' (~.55psi/ft)

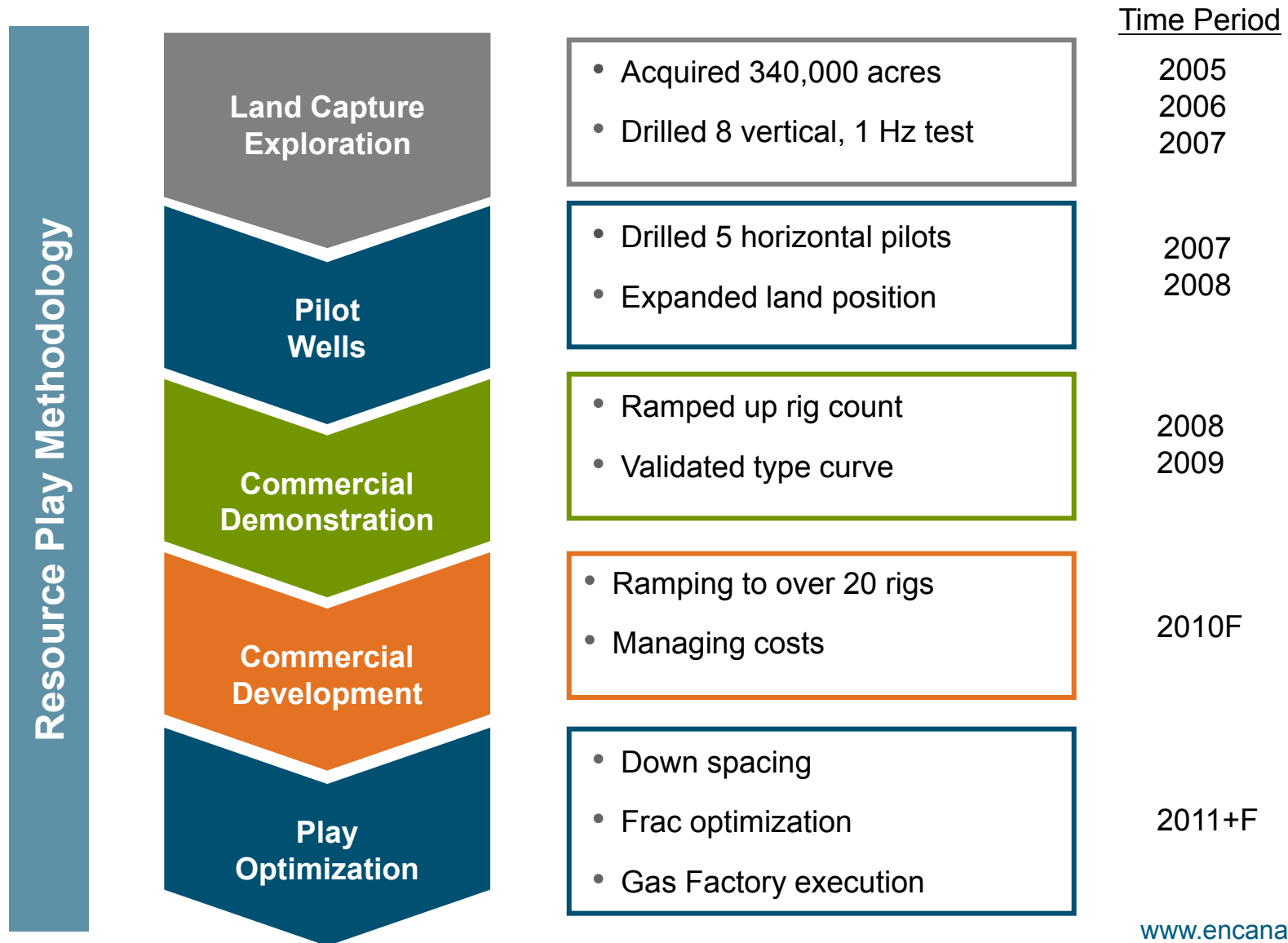


North Louisiana Resource Play Vintage Cross Section



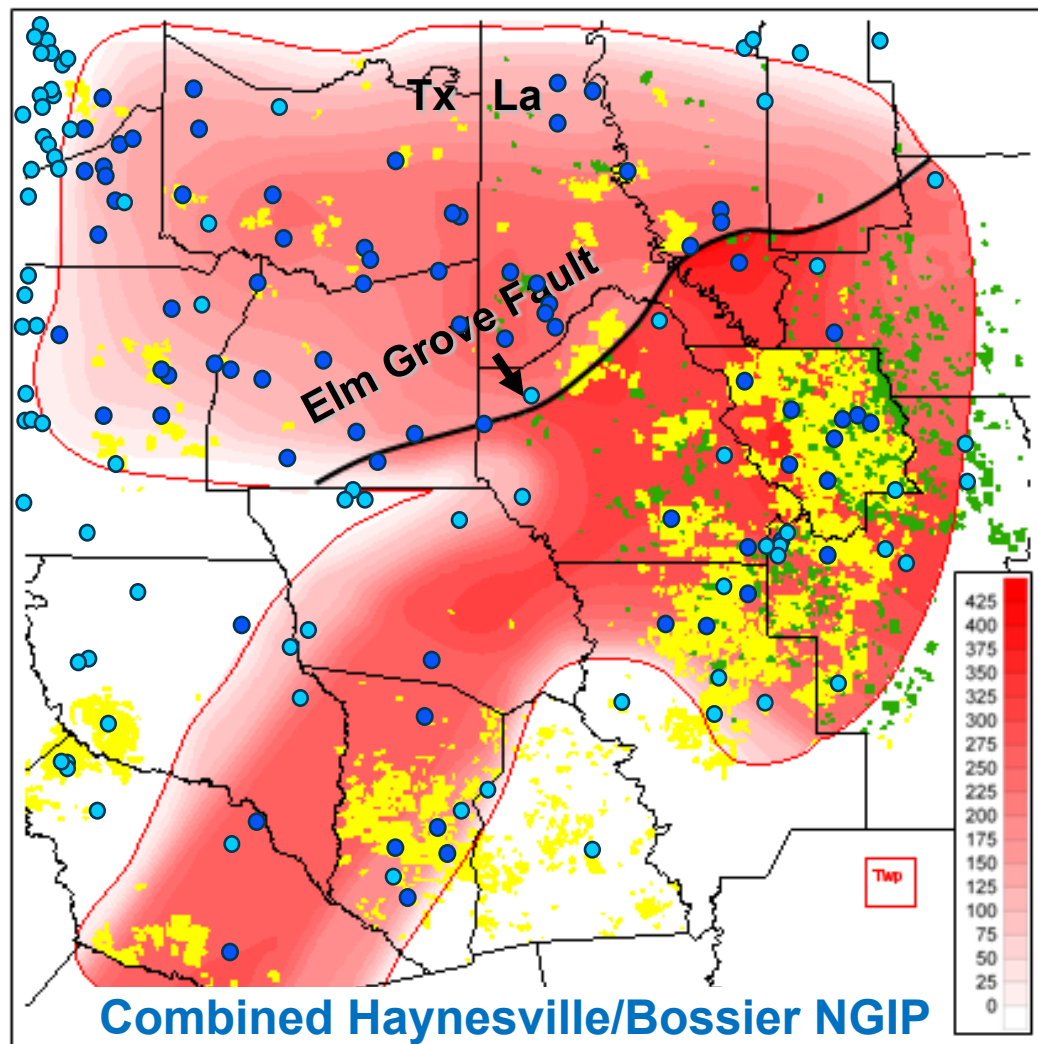
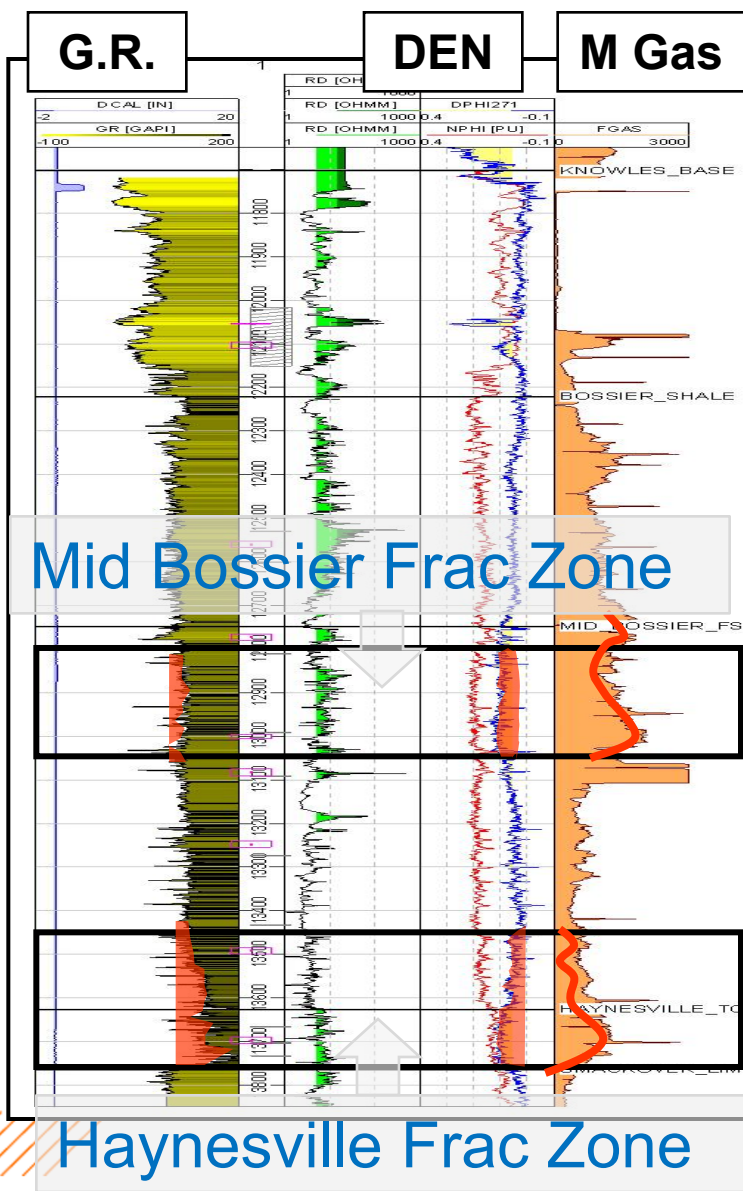
Execution Methodology

Haynesville Shale Example



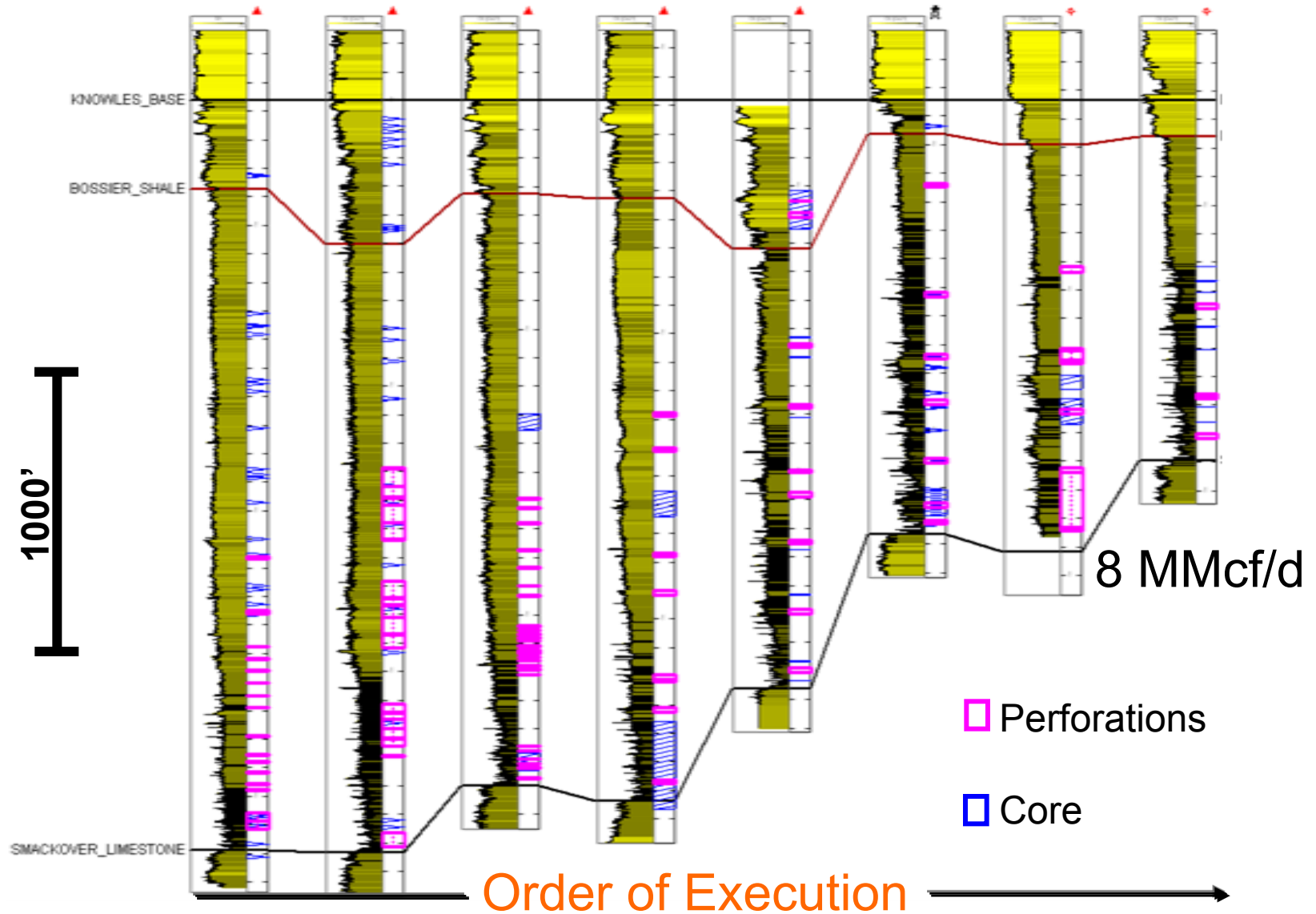
Ease of Mapping Play

Strong Log Signature & Good Well Control



- HSVL OGIP control - 80 wells
- SMCK penetrations - 262 wells
- 4,500 miles Seismic

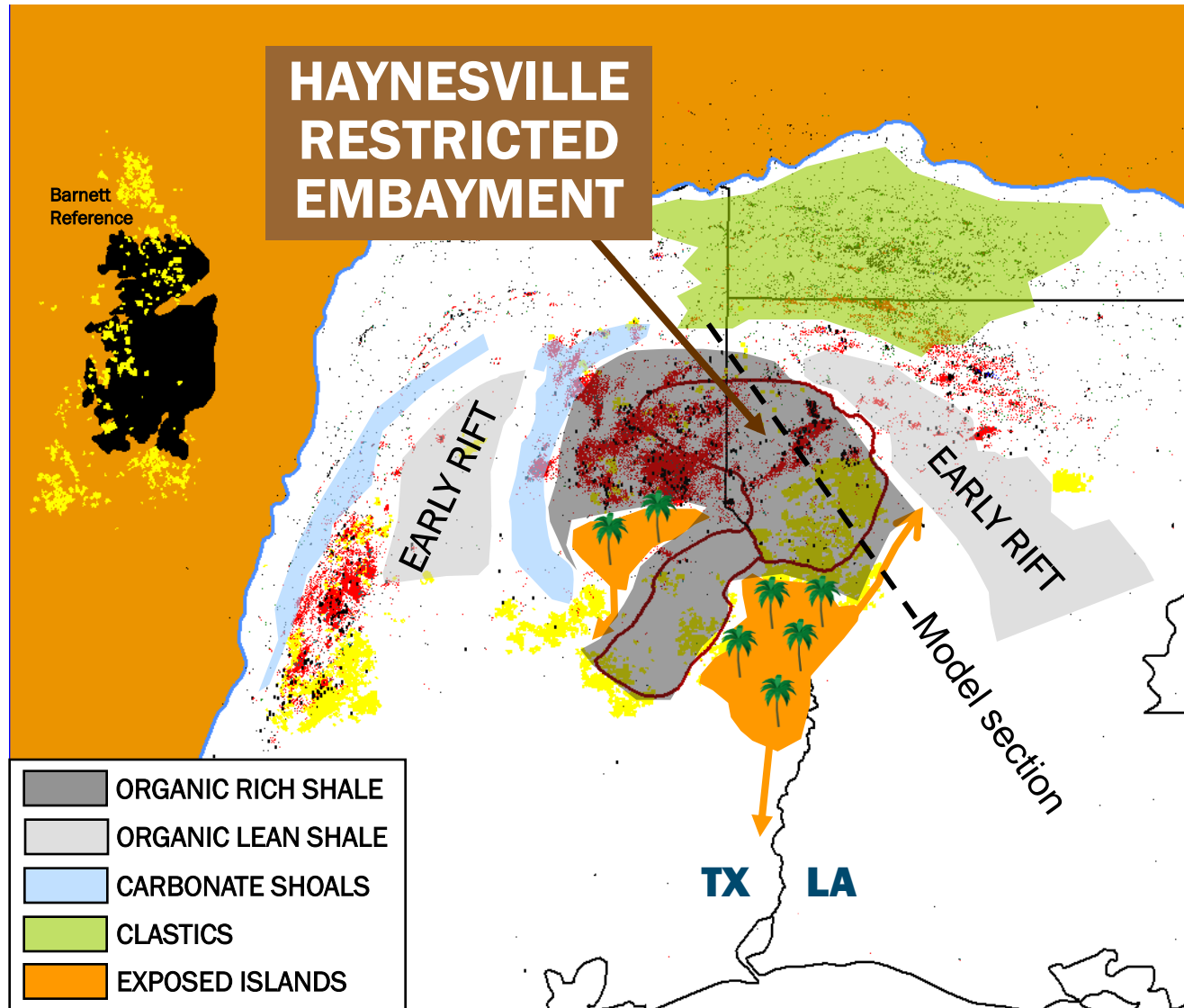
Haynesville / Bossier Shale Pilot Phase Vertical Wells



Reference J. Beer 2009

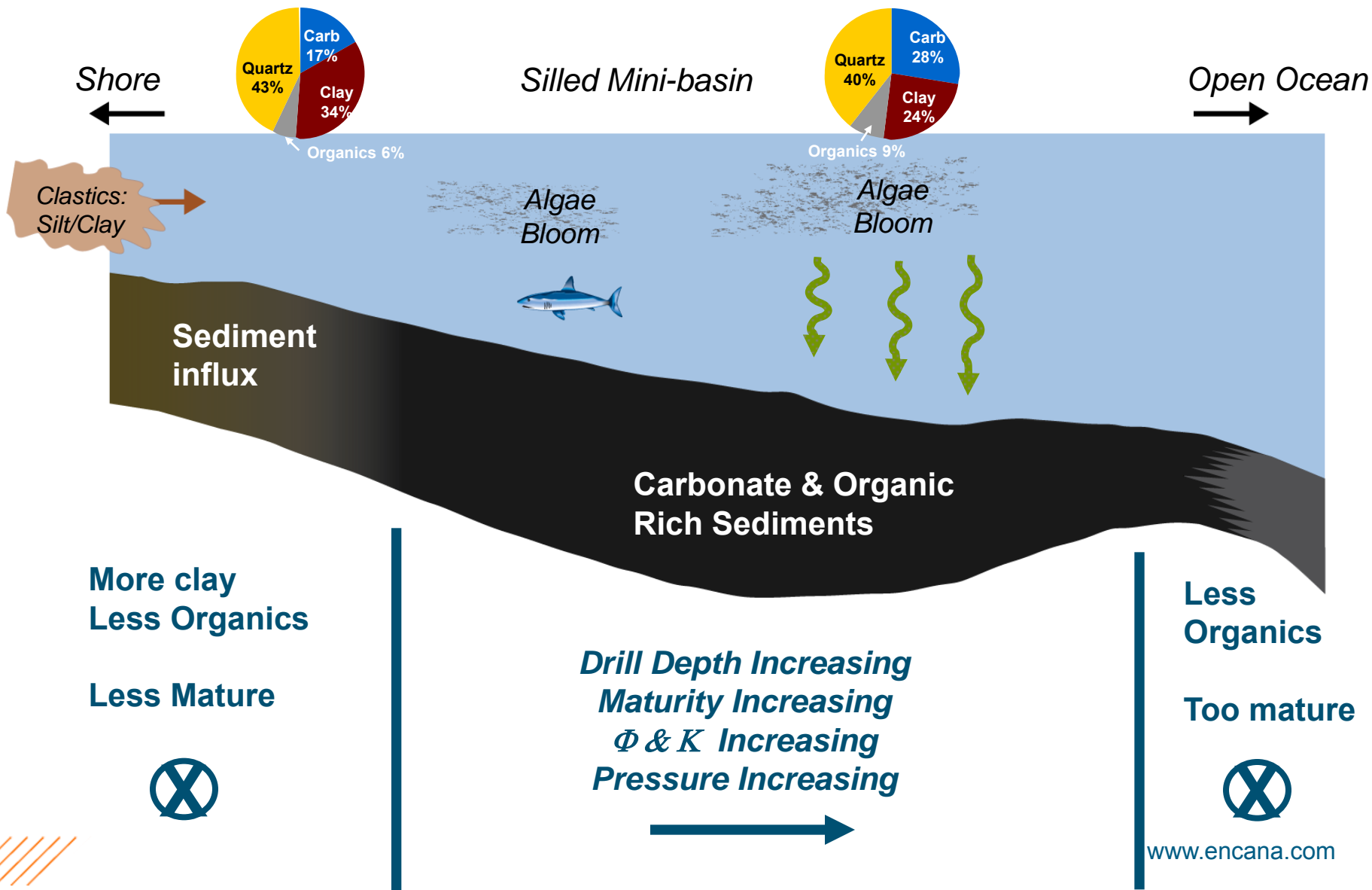
Haynesville

Depositional Setting



Rock Quality Variations

Shale Mini-basin



Haynesville Porosity System

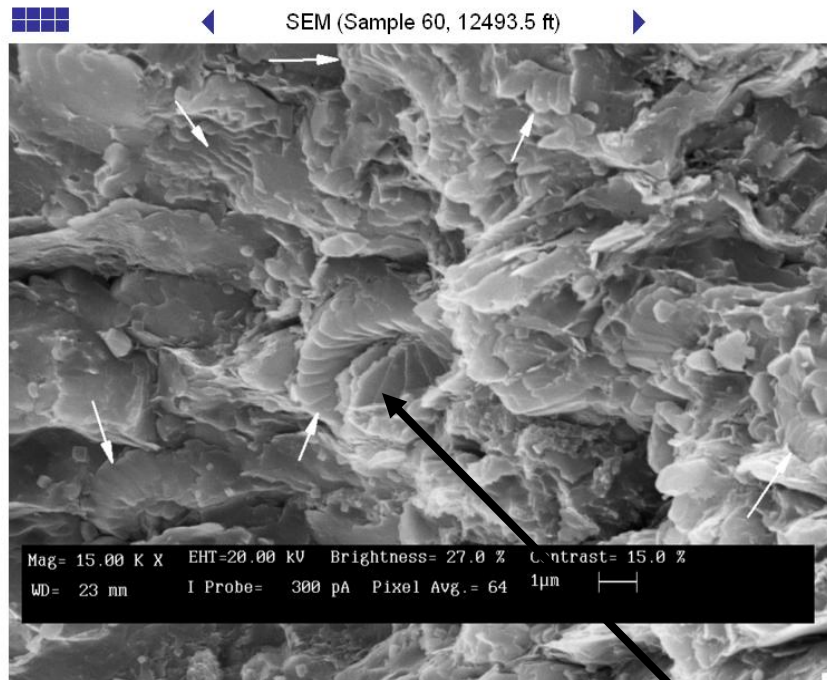


Image 36. Coccolith (arrows) forms a large proportion of calcite occurring in this sample. Disarticulated and reworked calcite microplates from these fossils normally support considerable amounts of microporosity. (Scale bar = 1 micron)

Grain support from coccolith debris

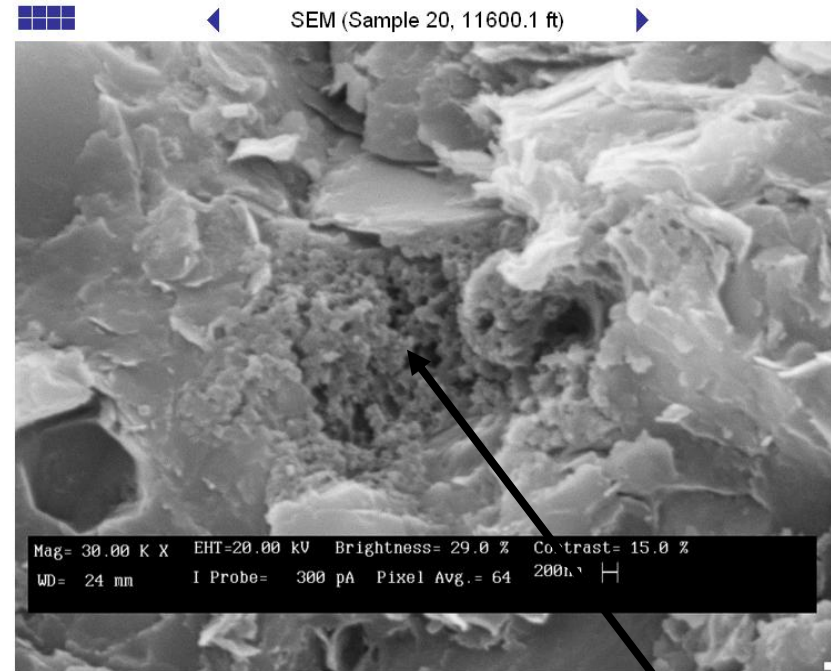
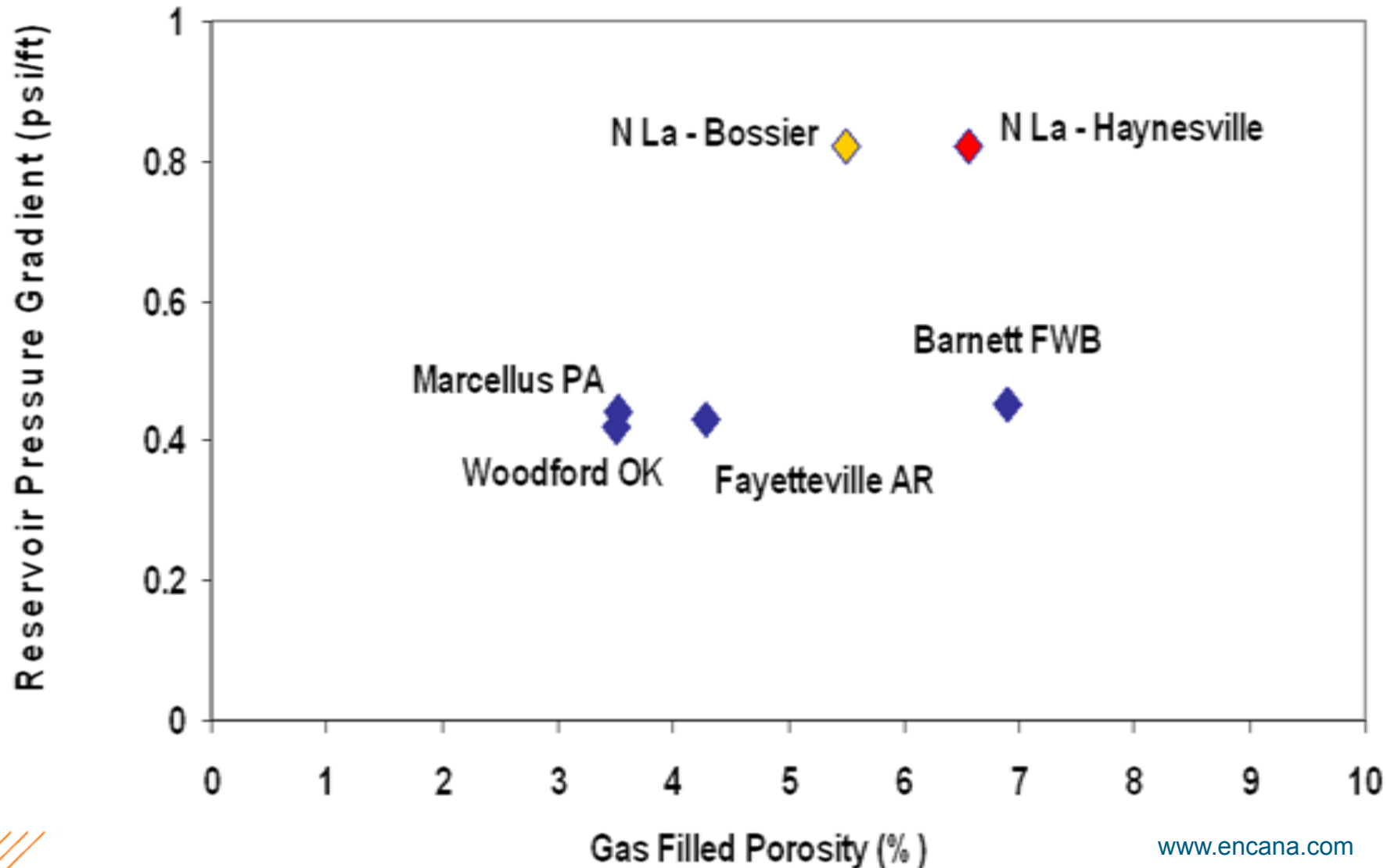


Image 8. High magnification view highlighting spongy texture of amorphous kerogen coating illitic clay minerals in the matrix. Increased organic matter (TOC = 3.1) finely distributed in the matrix contributes to increased opacity in like Sample 16. (Scale bar = 200 nanometers)

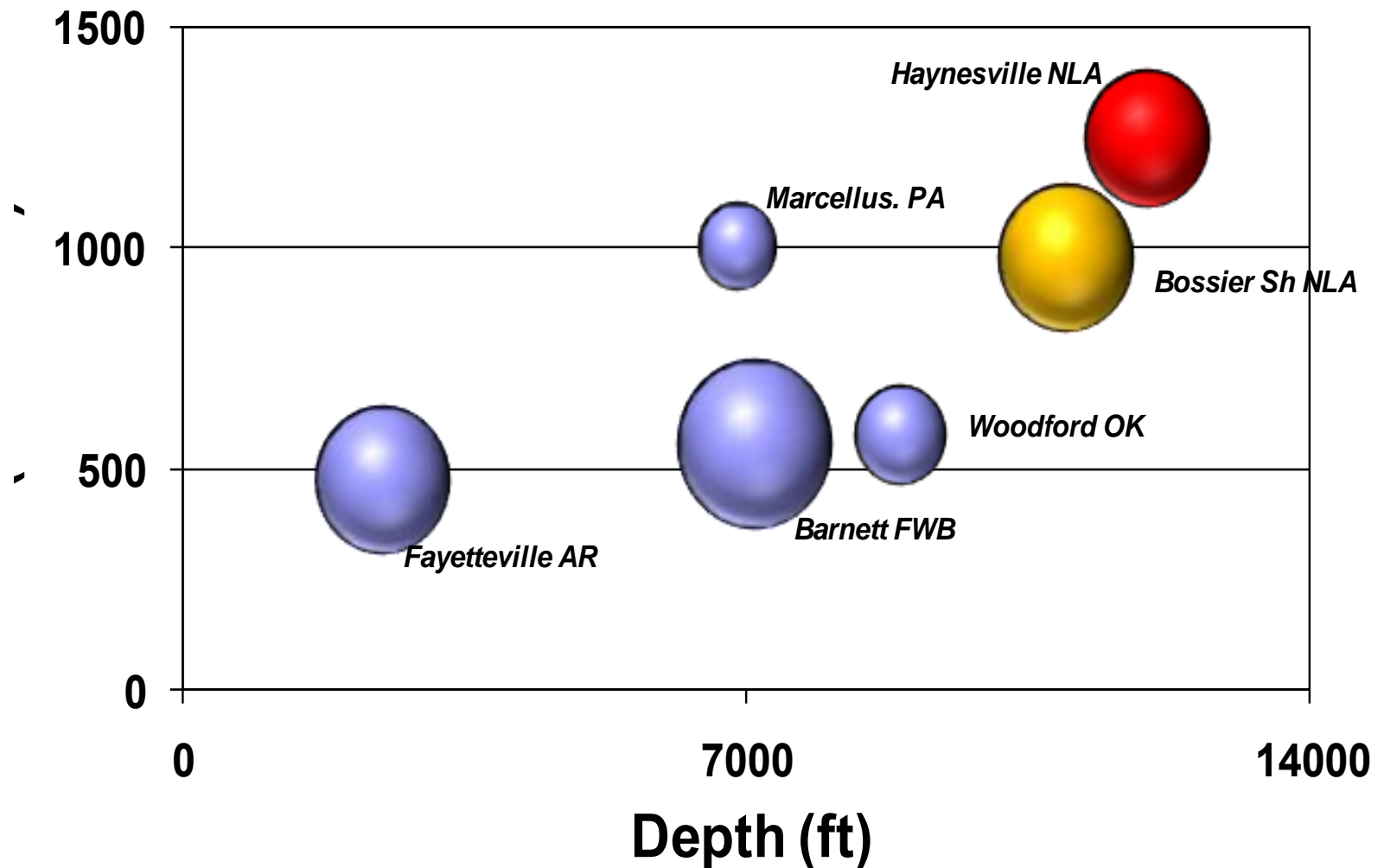
Porosity in mature organic matter

Haynesville / Bossier Shale

Reservoir Quality Vs. Pressure Gradient



Haynesville / Bossier Shale Exceptional Reservoirs



Play Mean Values

Bubble size – relative thickness

2500

7115

8930

12000

11000

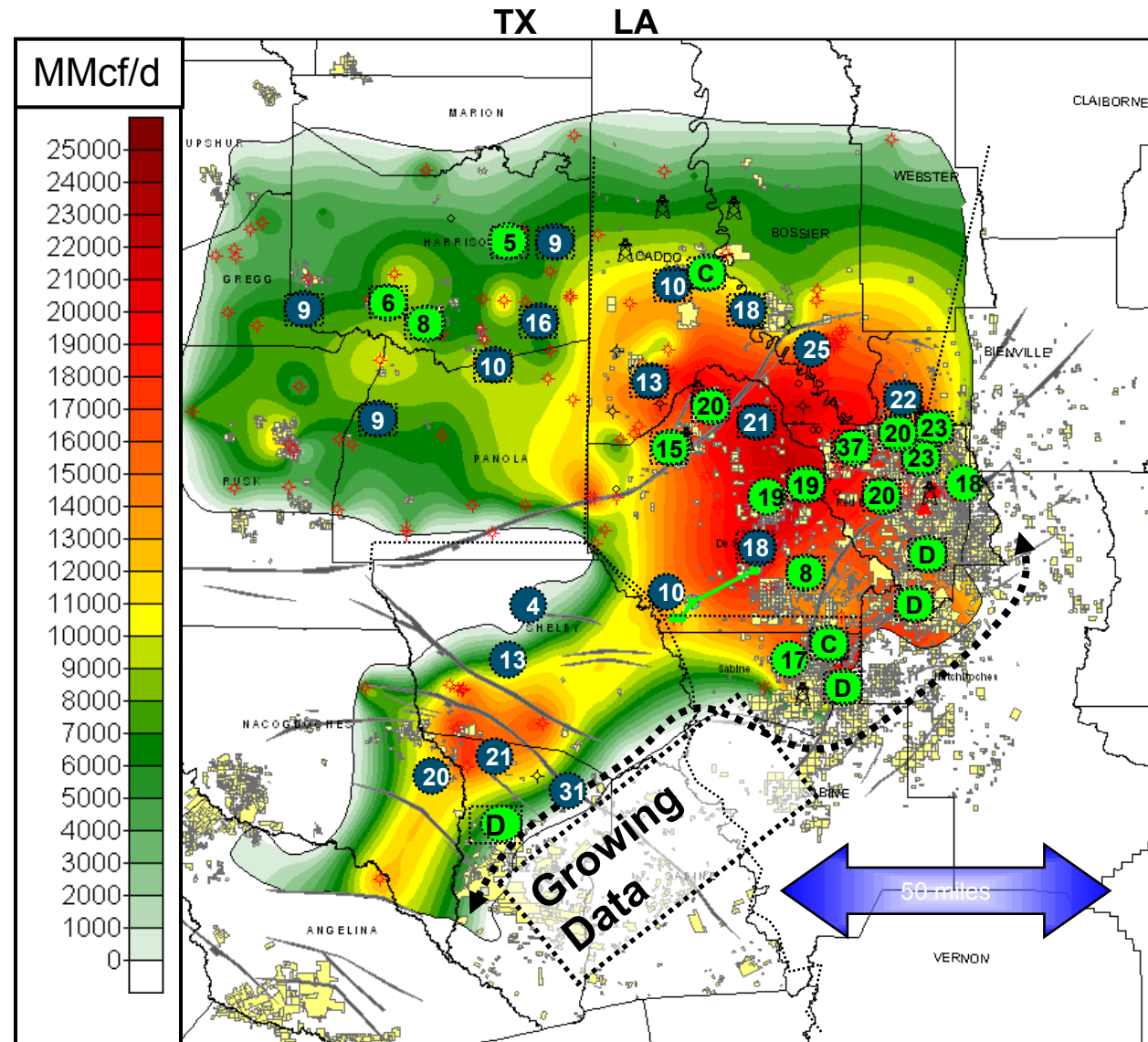
6918

Performance Quality Variability

Haynesville Predicted/Actual IP Map

Quality Function of:

- Mineral Make-up
- Clay
- Porosity
- TOC
- Pressure



Haynesville / Bossier Shale

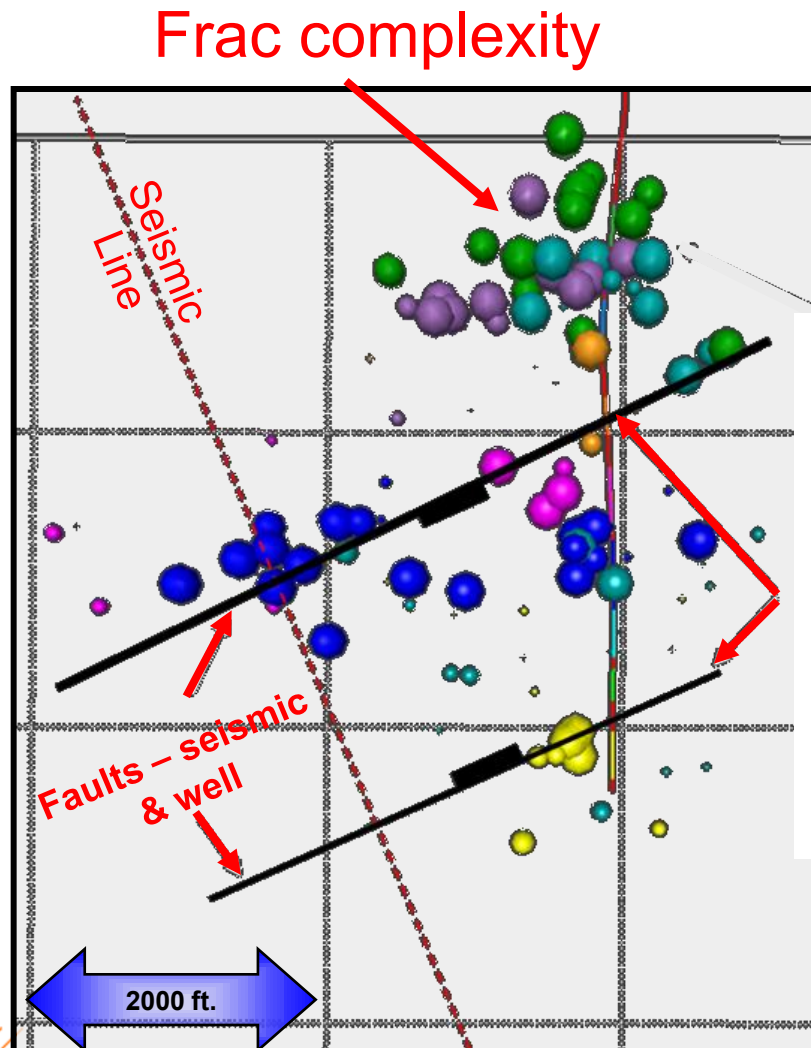
Technology Challenges – Deep Trend

- High temperature: 370+ degree F
- Pressure: 11,000+ PSI BHP
- Proppant placement
- Structure complexity

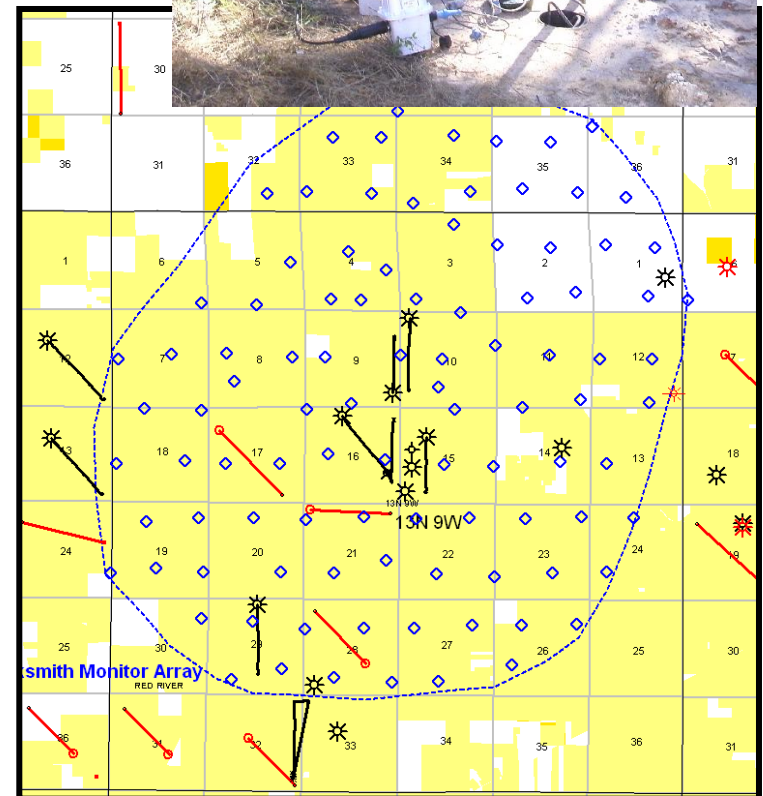
Micro-seismic array

Red River PA

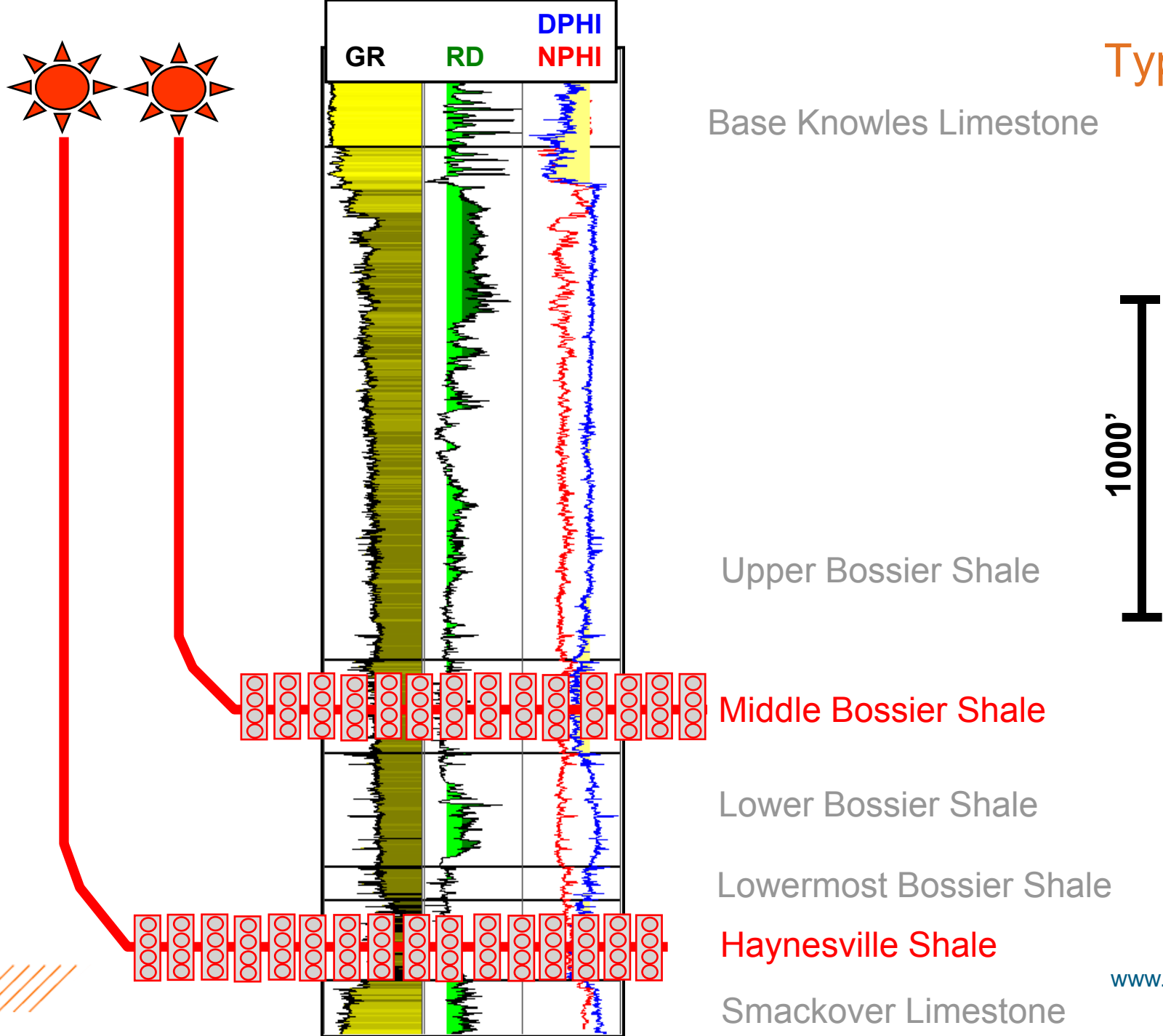
Buried Array Design



Frac diverted



Type log

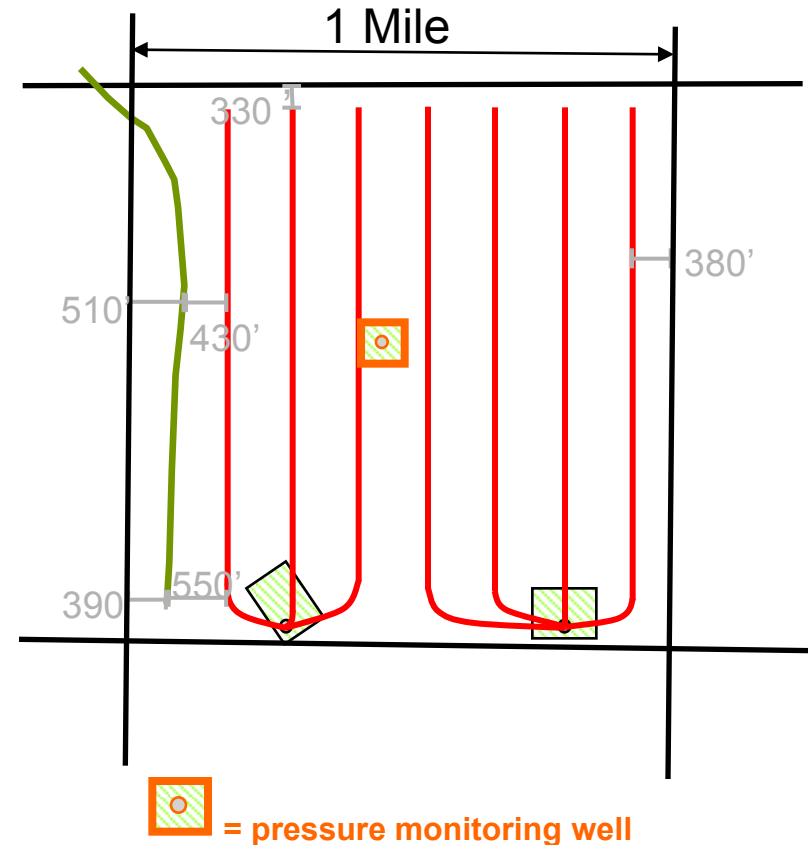


Haynesville

Manufacturing Process

Step Change in Development

- Gas Factory
 - Multi-well pads; simultaneous operations
 - Manufacturing process
 - Skidding FFP rigs
 - Single pipeline connection
 - Reduced overall foot print
- Downhole spacing ~660 feet
- Well orientation N-S
- 4,000'+ laterals (12+ stages)
- Improved overall gas recovery



Haynesville Well Performance

Imagine...

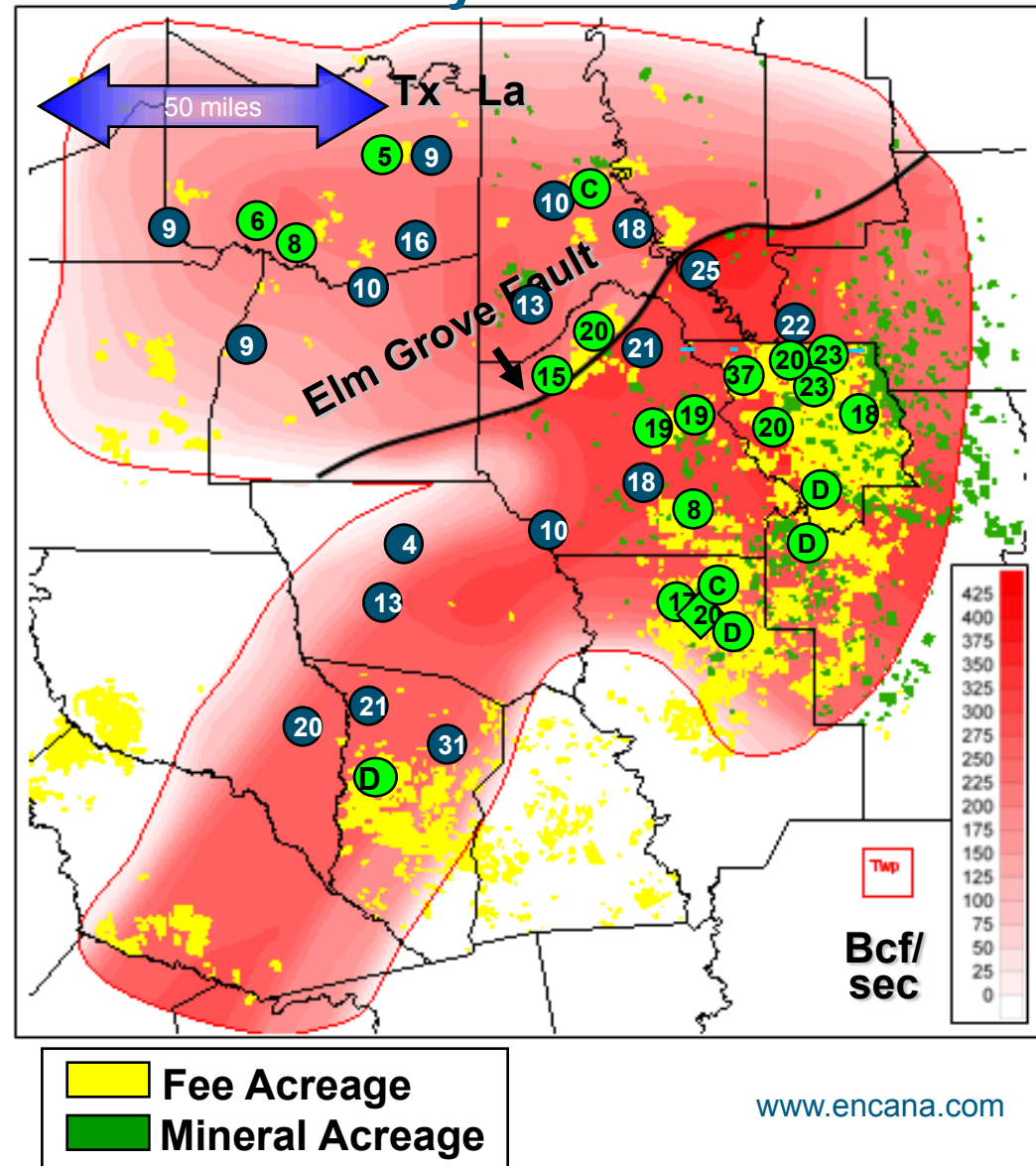
- Gas Factory Development
- Longer laterals / more stages
- Simo-ops / Simo-fracs
- Existing infrastructure

IP as reported
(Generally Peak Day)

④ Industry HSVL

②① ECA JV HSVL

Haynesville/Bossier NGIP

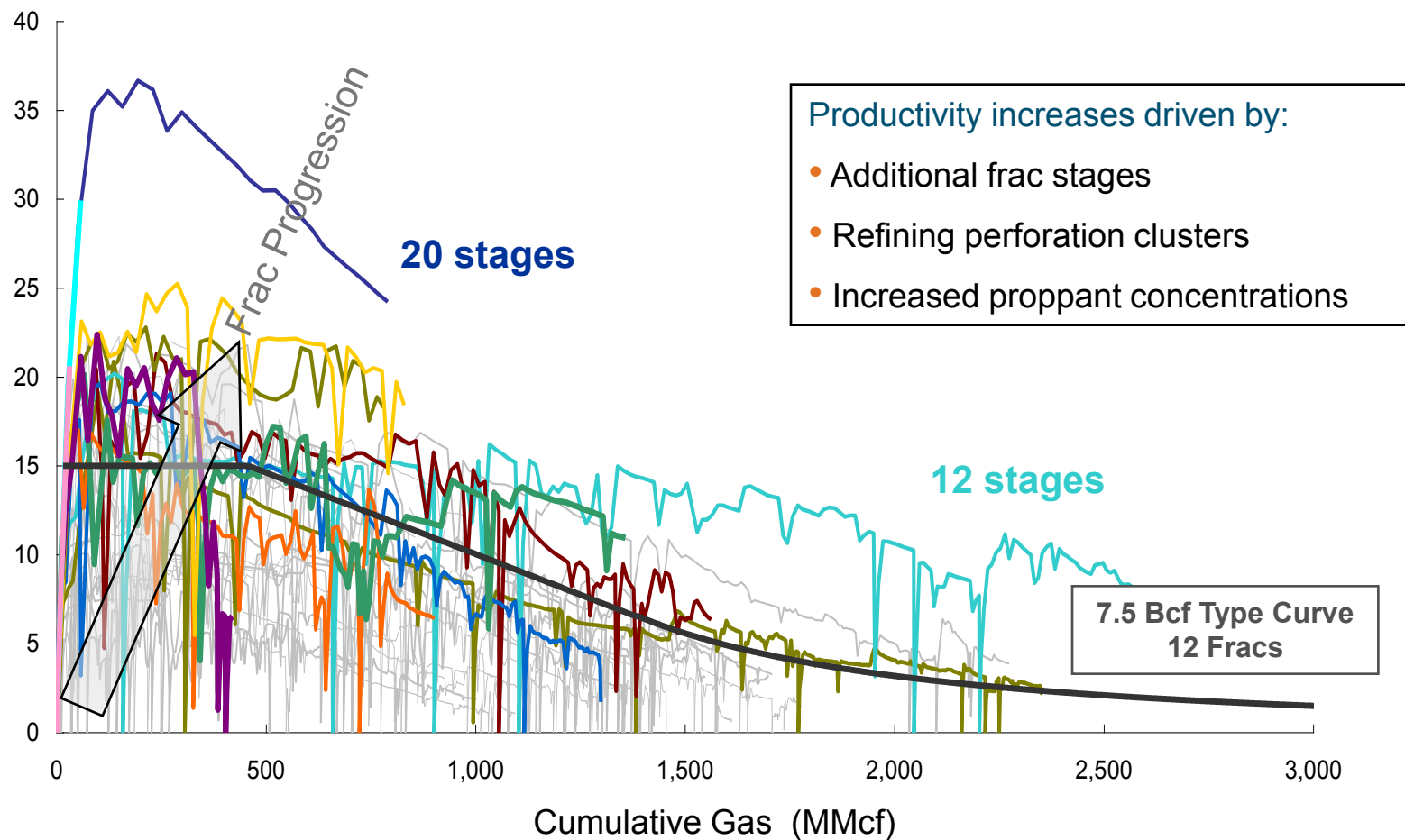


Haynesville Well Performance

Confidence in Productivity

Well rates limited by infrastructure flowing pressures: 7,000 to 10,000 psi

Gas Rate (MMcf/d)



Haynesville and Mid Bossier NGIP

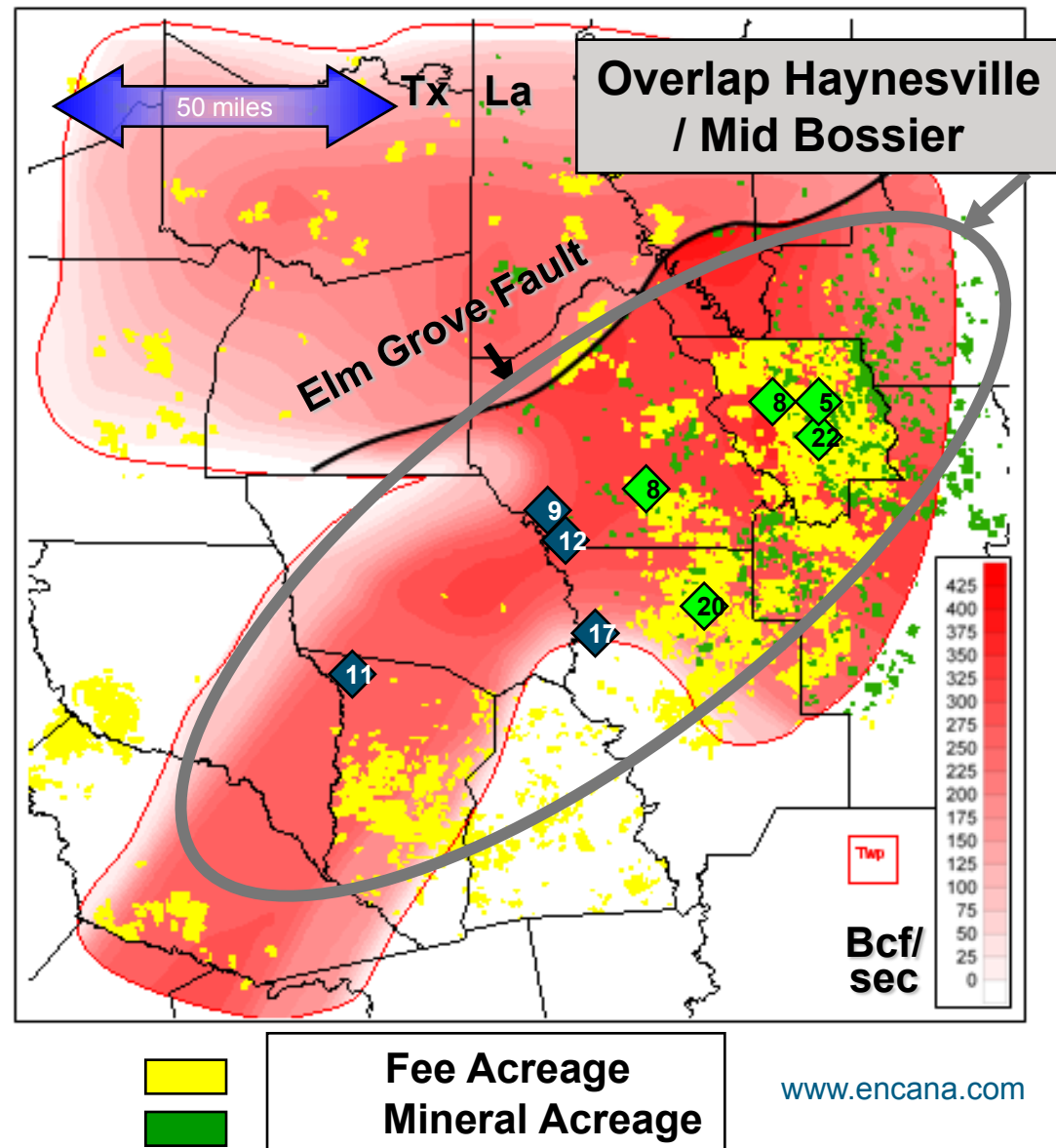
Overlap of 100+ Bcf/section in each zone

Imagine...

- Stacked pay
- Potential longer laterals
- Double well count
- Double production volumes
- Existing infrastructure

IP as reported
(Generally Peak Day)

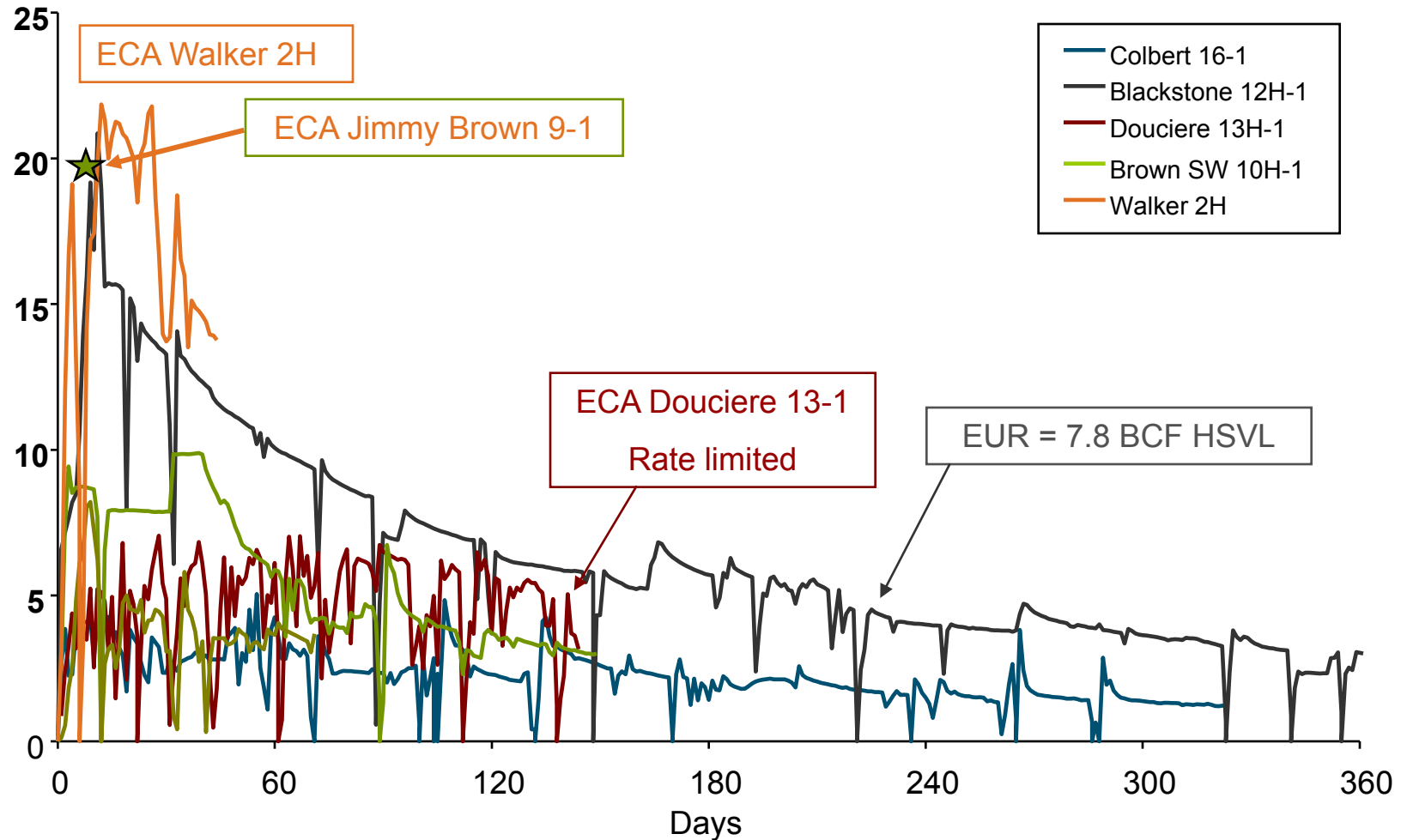
- ◆ 11 Industry MBSR
- ◆ 20 ECA JV MBSR



Bossier Shale Performance

Mid Bossier - Haynesville Comparison

Gas Rate (MMcf/d)



*Colbert - 3 stages producing

Haynesville Area Production

The Haynesville is currently producing about 2.6 Bcf/d

~ 2 Bcf/d Growth in 12 Months

MMcf/d

2,500

2,000

1,500

1,000

500

0

■ Source = Interstate Pipeline Receipts

— Source = State of Louisiana

Jul
2008

Oct
2008

Jan
2009

Apr
2009

Jul
2009

Oct
2009

Jan
2010

Regency
Expansion

~1.8 Bcf/d

+ LA intrastates

+ TX Haynesville

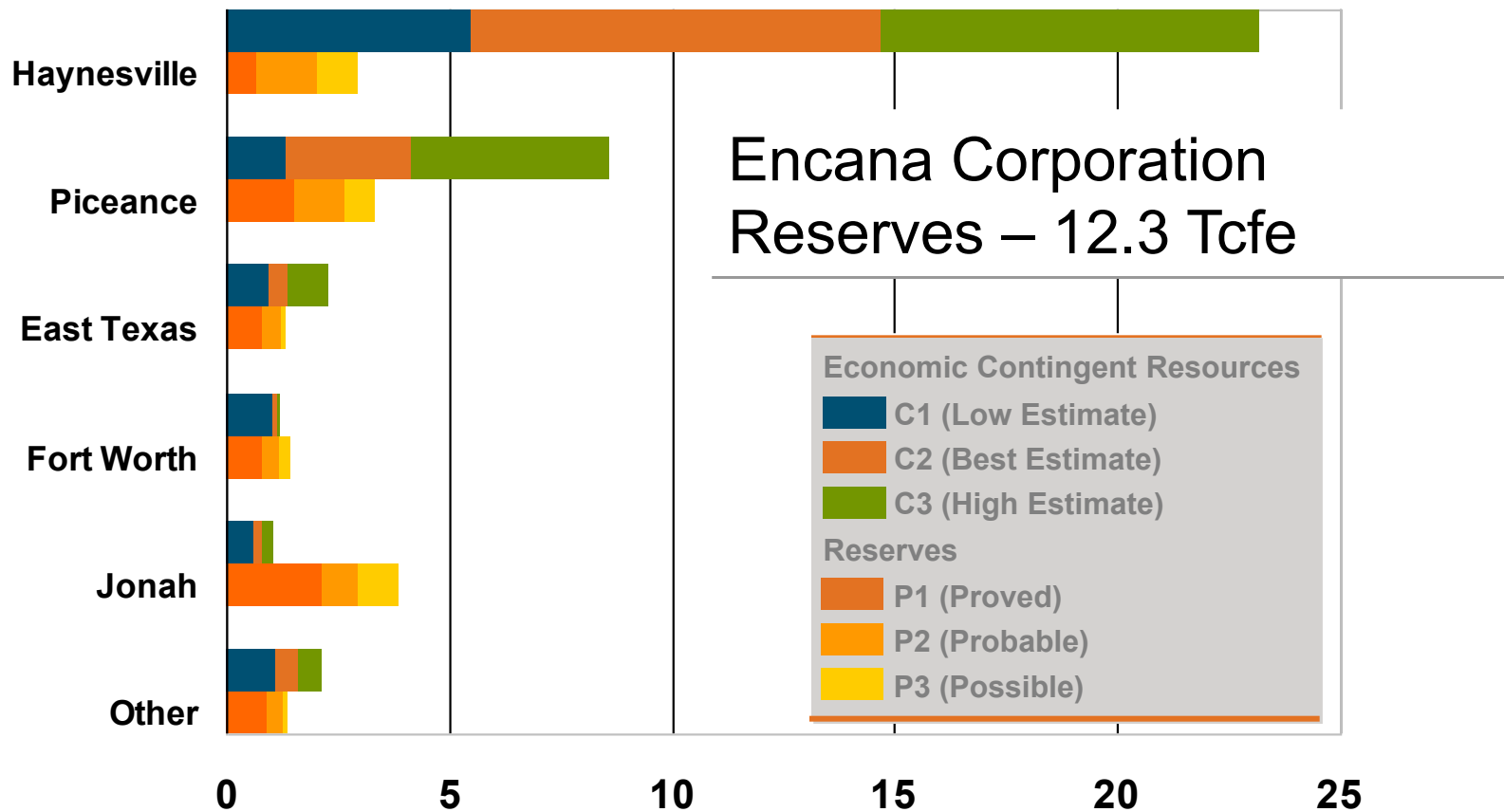
= ~2.6 Bcf/d

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USA Division

Tremendous Resource Potential

Reserves and Economic Contingent Resources (Tcfe)*

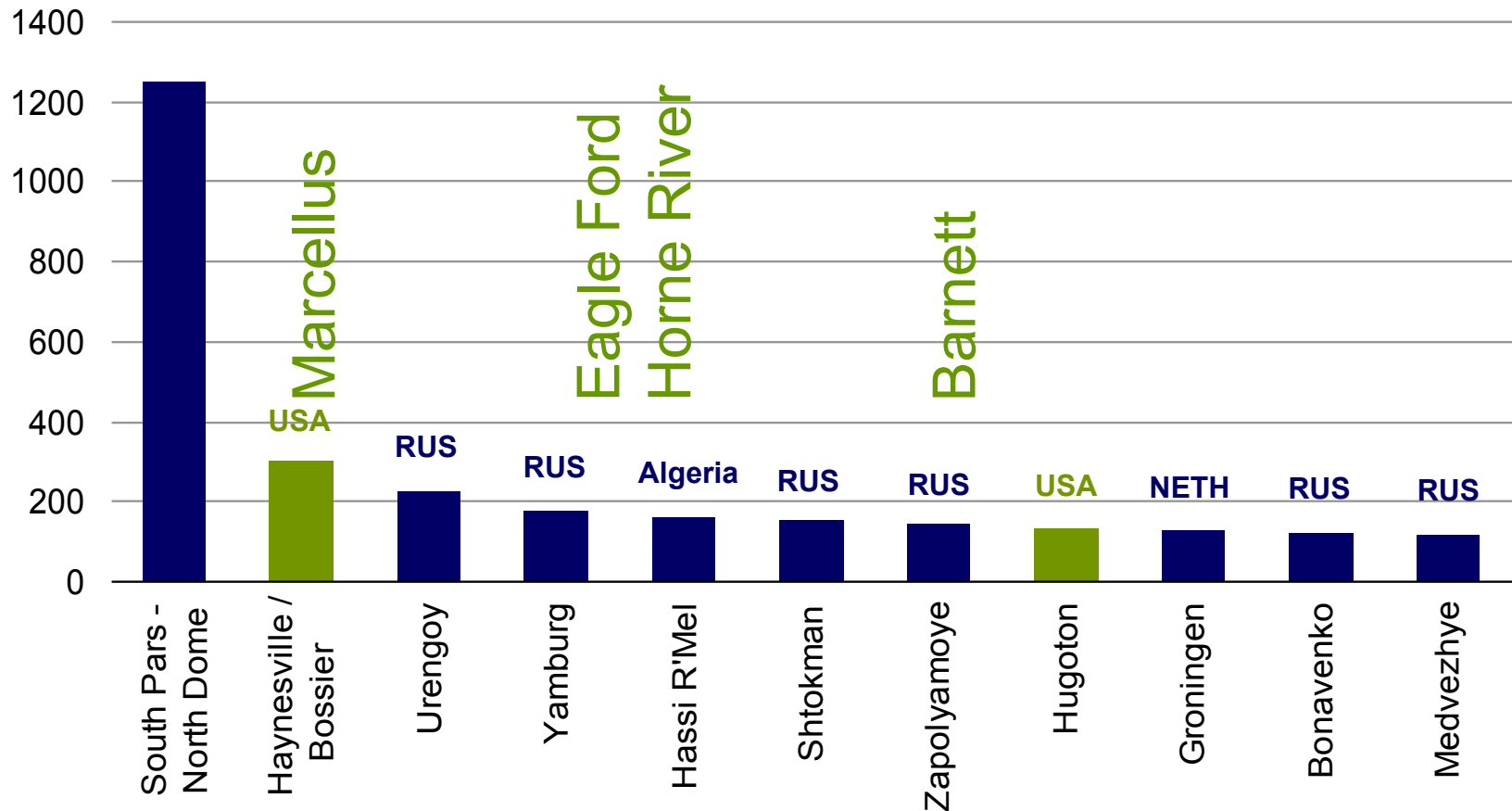


* Evaluated by Independent Qualified Reserves Evaluators as at December 31, 2009

Haynesville / Bossier Play World Class Resource

Stay tuned – More to come!

Tcf EUR



For More Information

Techologies advance plays – people
discover them!

www.encana.com