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

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Selected Reference

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AAPG 2010 Annual Convention
Discovery Thinking Forum
New Orleans, LA | April 12 | 2010
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
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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*
## Jurassic Trend
**Deep Basin Gas Cell Attributes**

- **Is a continuous-type gas accumulation**
- **Areally &/or vertically pervasive**
- **Gas saturated**
- **Abnormally pressured**
- **Lack a downdip water contact**
- **Low $\phi$ (<10%) & k (<0.1 md) matrix**
- **Lack obvious seal/trap**
- **Gas prone source proximal to reservoir**
- **Gas generation window**
- **Often have enhanced $\phi$ / k sweet spots**
- **Updip transition to wet or discontinuous reservoirs**
- **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)

Pressure Gradient @ Top Bossier

05-06 wells

Elm Grove
NLGRP

9,500’
North Louisiana Resource Play
Vintage Cross Section

Elm Grove

Red River

Teer Justin #1

Deep Basin Gas Cell

Top Overpressure

3065 Mcf/d
1700# FTP
44 Bbl H2O

Top Smackover (Subsea)

2800 Mcf/d
8400# FTP
100'

Teer Justin #1

A'

Smoking Gun Well

TEER JUSTIN L
20381

365 Mcf/d
11200

Top NLA
Salt Basin

North Louisiana Resource Play
Vintage Cross Section

Top Smackover (Subsea)
Execution Methodology
Haynesville Shale Example

**Land Capture Exploration**
- Acquired 340,000 acres
- Drilled 8 vertical, 1 Hz test

**Pilot Wells**
- Drilled 5 horizontal pilots
- Expanded land position

**Commercial Demonstration**
- Ramped up rig count
- Validated type curve

**Commercial Development**
- Ramping to over 20 rigs
- Managing costs

**Play Optimization**
- Down spacing
- Frac optimization
- Gas Factory execution

**Time Period**
- 2005
- 2006
- 2007
- 2007
- 2008
- 2008
- 2009
- 2010F
- 2011+F
Ease of Mapping Play
Strong Log Signature & Good Well Control

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

Mid Bossier Frac Zone
Haynesville Frac Zone

Combined Haynesville/Bossier NGIP

www.encana.com
Haynesville / Bossier Shale Pilot Phase Vertical Wells

Order of Execution

Reference J. Beer 2009

8 MMcf/d

Perforations
Core
Haynesville Depositional Setting

- ORGANIC RICH SHALE
- ORGANIC LEAN SHALE
- CARBONATE SHOALS
- CLASTICS
- EXPOSED ISLANDS

Barnett Reference

HAYNESVILLE RESTRICTED EMBAYMENT

TX  LA

Model section
Rock Quality Variations

Shale Mini-basin

More clay
Less Organics
Less Mature

Drill Depth Increasing
Maturity Increasing
Φ & K Increasing
Pressure Increasing

Less Organics
Too mature

Silled Mini-basin

Carbonate & Organic Rich Sediments

Shore

Open Ocean

Silt/Clay

Quartz 43%
Carb 17%
Clay 34%
Organics 6%

Quartz 40%
Carb 28%
Clay 24%
Organics 9%

Sediment influx

Algae Bloom

Algae Bloom

Clastics: Silt/Clay

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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

Reference J. Beer 2009

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 thin Sample 18. (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
Performance Quality Variability
Haynesville Predicted/Actual IP Map

Quality Function of:

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

[Map depicting quality variability with data points and color-coded for MMcf/d]
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

Frac complexity

Seismic Line

Faults - seismic & well

2000 ft.

Frac diverted

Buried Array Design

Reference Smith 2010

www.encana.com

DO NOT DIG CAUTION!!
Step Change in Development

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

= pressure monitoring well
Haynesville Well Performance

Imagine…

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

IP as reported (Generally Peak Day)
- Industry HSVL
- ECA JV HSVL

Fee Acreage
Mineral Acreage

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Haynesville Well Performance
Confidence in Productivity

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

Productivity increases driven by:
- Additional frac stages
- Refining perforation clusters
- Increased proppant concentrations

Gas Rate (MMcf/d) vs. Cumulative Gas (MMcf)

20 stages
12 stages

7.5 Bcf Type Curve
12 Fracs
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)

Industry MBSR
ECA JV MBSR

Fee Acreage
Mineral Acreage
Bossier Shale Performance
Mid Bossier - Haynesville Comparison

*Colbert - 3 stages producing

EUR = 7.8 BCF HSVL
Haynesville Area Production

The Haynesville is currently producing about 2.6 Bcf/d

~ 2 Bcf/d Growth in 12 Months

Source = Interstate Pipeline Receipts
Source = State of Louisiana

Regency Expansion

~1.8 Bcf/d
+ LA intrastates
+ TX Haynesville

= ~2.6 Bcf/d

Source: EnCan, Bentek, State of Louisiana

Note: There is approximately a three-month lag on production data from the State of Louisiana.
USA Division
Tremendous Resource Potential

Reserves and Economic Contingent Resources (Tcfe)*

<table>
<thead>
<tr>
<th>Location</th>
<th>Reserves</th>
<th>Economic Contingent Resources</th>
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<td>12.3 Tcfe</td>
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* Evaluated by Independent Qualified Reserves Evaluators as at December 31, 2009
Haynesville / Bossier Play  
World Class Resource

Stay tuned – More to come!
For More Information

Technologies advance plays – people discover them!

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