

E-MAILED

April 17, 2007

To: Parties and Counsel on the Attached List

**RE: EnCana Oil and Gas Partnership (EnCana) Application No. 1394112
Canadian Natural Resources Limited (CNRL) Application No. 1409180
Husky Oil Operations Limited (Husky) Application No. 1481725
Cold Lake Oil Sands Area - Clearwater Deposit**

Further to Ms. Bentivegna's letter of April 13, 2007, attached are the Board staff's questions for EnCana on its gas flanking bitumen cases.

Yours truly,

Original signed by

Gary D. Perkins
Board Counsel

Thackray Burgess

Attention: Mr. Patrick J. McGovern
pmcgovern@thackrayburgess.com

McCarthy Tétrault LLP

Attention: D. G. Davies
ddavies@mccarthy.ca

Husky Oil Operations Limited

Attention: Susan Anderson
susan.anderson@huskyenergy.ca

Borden Ladner Gervais LLP

Attention: Randall W. Block, Q.C.
RBlock@blgcanada.com

Imperial Oil Resources

Attention: Peter L. Miller
peter.l.miller@esso.ca

Attention: Cheryl L. Trudell
cheryl.l.trudell@esso.ca

Board Staff Questions on Gas Flanking Bitumen Cases from EnCana's April 5, 2007 Submission

With respect to EnCana's gas flanking bitumen cases (FL 19 Revised), EnCana stated in its letter dated April 12, 2007 that it considered these runs would be of assistance to the Board in assessing the impact of gas production on flank bitumen recovery using high pressure HWCSS instead of low pressure HWCSS, in conditions representative of those existing in the CNRL lease area.

- a) It appears that the steam injection pressure was significantly below the dilation pressure (injection pressures were 4500 kPa or lower compared to a dilation pressure of 9800 kPa). Explain how these cases assess the impact of gas production on flank bitumen recovery using high pressure HWCSS instead of low pressure HWCSS.
- b) Explain how these cases are representative of the conditions existing in the CNRL lease area.
- c) It appears that the relative permeability curves used for the revised flank 19 cases were different than the relative permeability curves used for the original flank 19 cases and the relative permeability curves used in the CNRL model. Explain why EnCana used different relative permeability curves.