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Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

Re: File Number S7-29-07 – Concept Release on Possible Revisions to the Disclosure Requirements Relating to Oil and Gas Reserves

Dear Ms. Morris:

Thank you for the opportunity to provide comments on the *“Concept Release on Possible Revisions to the Disclosure Requirements Relating to Oil and Gas Reserves”*.

With an enterprise value of approximately US\$65 billion, EnCana Corporation (“EnCana”) is a leading North American unconventional natural gas and integrated oil company. In fact, EnCana is one of the largest natural gas producers in North America, with production of some 3.6 billion cubic feet per day in 2007. Oil and natural gas liquids production was about 134,000 barrels per day in 2007. Furthermore, EnCana is a leader in the field of in-situ recovery of bitumen using steam assisted gravity drainage from an associated resource base that is one of the largest in Western Canada. With respect to downstream operations, refined products averaged 228,500 barrels per day net to EnCana in 2007.

The United States Securities and Exchange Commission (“SEC” or “Commission”) is to be commended for inviting input on this important issue for all stakeholders in the oil and gas sector.

1. Should we replace our rules-based current oil and gas reserves disclosure requirements, which identify in specific terms which disclosures are required and which are prohibited, with a principles-based rule? If yes, what primary disclosure principles should the Commission consider? If the Commission were to adopt a principles based reserves disclosure framework, how could it affect disclosure quality, consistency and comparability?

Some rules are required to help ensure compliance with principles and/or concepts. Even though you suggest that the SEC's disclosure requirements are rules-based, there are also underlying principles, such as comparability, repeatability and reasonableness, which are integral to the regulatory framework.

2. Should the Commission consider allowing companies to disclose reserves other than proved reserves in filings with the SEC? If we were to allow companies to include reserves other than proved reserves, what reserves disclosure should we consider? Should we specify categories of reserves? If so, how should we define those categories?

In the event that the Commission does consider allowing companies to disclose reserves other than proved in filings with the SEC, we believe those identified in the Society of Petroleum Engineers – Petroleum Resources Management System (SPE PRMS) are worthy of consideration and have been well vetted.

That said, we would submit that an issue may arise with respect to comparability of reserves categories, other than proved. Although qualified reserves evaluators acting independently might arrive at estimates of proved reserves for a given property that are within plus or minus 10% of one another, the variability around estimates of probable or possible reserves is likely to be much greater.

3. Should the Commission adopt all or part of the Society of Petroleum Engineers—Petroleum Resources Management System? If so, what portions should we consider adopting? Are there other classification frameworks the Commission should consider? If the Commission were to adopt a different classification framework, how should the Commission respond if that framework is later changed?

Yes, adopting all or part of SPE PRMS should be given serious consideration, for a variety of reasons. This resources management system was prepared with the co-operation of the Society of Petroleum Evaluation Engineers (SPEE), the American Association of Petroleum Geologists (AAPG) and the World Petroleum Congress (WPC). Also, in the course of its preparation, consideration was given to other recent initiatives in this area, such as the Canadian Oil and Gas Evaluation Handbook (COGEH). Finally, it has been widely reviewed and accepted.

In the event of any changes to the framework, the Commission should certainly give them due consideration for adoption. This would be similar to regulatory procedures in Canada under National Instrument 51-101, where changes and additions to COGEH are reviewed but not necessarily adopted or endorsed by the Canadian Securities Administrators.

4. Should we consider revising the current definition of proved reserves, proved developed reserves and proved undeveloped reserves? If so, how? Is there a way to revise the definition or the elements of the definition, to accommodate future technological innovations?

By and large, the current definition of proved reserves has served stakeholders well. Specifically with respect to proved undeveloped reserves, consideration should be given to replacing the concept of “with certainty” to “with reasonable certainty” to better align this subcategory of proved reserves with the definition of proved reserves.

5. Should we specify the tests companies must undertake to estimate reserves? If so, what tests should we require? Should we specify the data companies must produce to support reserves conclusions? If so, what data should we require? Should we specify the process a company must follow to assess that data in estimating its reserves?

Specifics are perhaps best left to organizations such as the SPE, SPEE and AAPG.

6. Should we reconsider the concept of reasonable certainty? If we were to replace it, what should we replace it with? How could that affect disclosure quality? Should we consider requiring companies to make certain assumptions? Should we prohibit others?

No, the concept of reasonable certainty in the eyes of a qualified reserves evaluator should suffice, particularly when taken in the context of guidance published in March 2001 that states in part, “the concept of reasonable certainty implies that, as more technical data becomes available, a positive, or upward, revision is much more likely than a negative, or downward, revision.”

7. Should we reconsider the concept of certainty with regard to proved undeveloped reserves? Should we allow companies to indefinitely classify undeveloped reserves as proved?

Yes, please see our response to question 4 above. As to the second part of this question, the commitment to develop should be within a reasonable timeframe in the eyes of a qualified reserves evaluator.

8. Should we reconsider the concept of economic producibility? If we were to replace it, what should we replace it with? How could that affect disclosure quality? Should we consider requiring companies to make certain assumptions? Should we prohibit others?

No, the concept of economic producibility is a cornerstone of proved reserves.

9. Should we reconsider the concept of existing operating conditions? If we were to replace it, what should we replace it with? How could that affect disclosure quality? Should we consider requiring companies to make certain assumptions? Should we prohibit others?

No, the concept of existing operating conditions is a key component with respect to comparability of reserves disclosure.

10. Should we reconsider requiring companies to use a sale price in estimating reserves? If so, how should we establish the price framework? Should we require or allow companies to use an average price instead of a fixed price or a futures price instead of a spot price? Should we allow companies to determine the price framework? How would allowing companies to use different

prices affect disclosure quality and consistency? Regardless of the pricing method that is used, should we allow or require companies to present a sensitivity analysis that would quantify the effect of price changes on the level of proved reserves?

The Commission should recognize an annual average price, at the custody transfer point, for the 12 month period ending the previous reporting quarter, to be applied to the resources held at the reporting entity's year end, (e.g. September 30 for December 31 reporting entities). This approach maintains the comparability of disclosure between companies and eliminates the volatility currently created by the use of a single "last day of year" price.

There is a "seasonal" component to most oil and gas commodity prices, perhaps none more so than for bitumen as evidenced at year-end 2004, when over 2 billion barrels of proved reserves, associated with in-situ operations, were "de-booked" by the industry for SEC reporting purposes as a consequence of very low "single day" prices. Literally within months, if not days, producers were in a position to "re-book" most of these volumes. Investors are not well served by such material swings in disclosed reserves volumes which bear no relationship to the economics of the business.

An average price for the 12 month period ending the previous reporting quarter would aid in the timely completion of the reserves evaluation process and disclosure of year end results.

11. Should we consider eliminating any of the current exclusions from proved reserves? How could removing these exclusions affect disclosure quality?

Yes, please refer to the answers to questions 4 and 7 above.

12. Should we consider eliminating any of the current exclusions from oil and gas activities? How could removing these exclusions affect disclosure quality?

Yes, crude oil, natural gas and natural gas liquids volumes are just that, regardless of the extraction methodology employed. Hence, disclosure quality would be improved.

13. Should we consider eliminating the current restrictions on including oil and gas reserves from sources that require further processing, e.g., tar sands (more accurately referred to as oil sands)? If we were to eliminate the current restrictions, how should we consider a disclosure framework for those reserves? What physical form of those reserves should we consider in evaluating such a framework? Is there a way to establish a disclosure framework that accommodates unforeseen resource discoveries and processing methods?

Yes. Crude oil, natural gas and natural gas liquids volumes are just that, regardless of the source. Hence, disclosure quality would be improved.

14. What aspects of technology should we consider in evaluating a disclosure framework? Is there a way to establish a disclosure framework that accommodates technological advances?

The disclosure framework is not impacted by technology per se; rather, it is the quantities of crude oil, natural gas and natural gas liquids that qualify for reporting as proved reserves that are impacted by technological advances.

15. Should we consider requiring companies to engage an independent third party to evaluate their reserves estimates in the filings they make with us? If yes, what should that party's role be? Should we specify who would qualify to perform this function? If so, who should be permitted to perform this function and what professional standards should they follow? Are there professional organizations that the Commission can look to set and enforce adherence to those standards?

Yes, credible reserves are a cornerstone of a company engaged in oil and gas exploration, development and production activities. Independent qualified reserves evaluators are uniquely positioned to provide an "arms length" appraisal of the reserves of a company. On an ongoing basis, EnCana Corporation engages four "top tier" firms of independent qualified reserves evaluators to evaluate, not just audit or review, 100% of its oil and gas properties, to which proved reserves are assigned.

As to the professional qualifications and standards, we would direct you to SPE PRMS, COGEH and Canadian Securities Administrators – National Instrument 51-101 Companion Policy.

Once again, thank you for this opportunity to provide input. Please contact the undersigned at (403) 645-5939 should you have any questions.

Yours truly,

ENCANA CORPORATION


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