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O/Ref: ELL004-A7

January 31, 2007

Ms. Diana L. Dalton
Chair/Acting Chief Executive Officer
Canada – Nova Scotia Offshore Petroleum Board
6th Floor, TD Centre
1791 Barrington Street
Halifax NS B3J 3K9

Dear Ms. Dalton:

Re: Cohasset Project – 2006 Subsea Survey Inspection

Further to my letter of November 14, 2006 (ELL021-A6), this will confirm that from November 28, to December 1, 2006 EnCana contracted Seaforth Engineering Group Inc. who utilized the R/V Coriolis II to complete a subsea field survey of the Cohasset Project site. The primary purpose of this survey was to satisfy Condition 1 of the Application to Amend the Cohasset Development Plan Decision Report.

The last major survey of the subsea flowlines at the Cohasset Project Sitewas performed in 2004 (Letter O/Ref ELL035-A4). The 2006 survey (the "Survey") was intended to ensure no snagging hazards remained from the decommissioned Cohasset Project and to provide another data set by which to assess the degree of natural burial of the flowlines and power cable. The results of the Survey are as follows:

General:

- No snagging hazards remain from the decommissioned Cohasset Project.
- The Deep Panuke PI-1B well conductor was observed during the Survey at the former Panuke platform location and protruded approximately 2m to 3m above the seafloor. This well conductor is appropriately identified on Canadian Hydrographic Service nautical charts 4099 and 8007. As described in Section 3.2 of the Deep Panuke Offshore Gas Development Plan (Volume 2), the PI-1B well will not be used as part of the Deep Panuke project and the conductor will be removed below seabed during the Deep Panuke well construction program.

Former Platform Locations:

- The Cohasset and Panuke platform piles remain buried below the seabed.
- The Cohasset project well conductors remain buried below the seabed.
- The flowline end stabilization mattresses that were placed during the 2005 platform removal decommissioning program to stabilize the flowlines ends have remained in their location on the seafloor.

Former PLEM Locations

- The Panuke and Cohasset PLEM bases remain as decommissioned in 2005.
- The flowline ends that were disconnected from the PLEM's and buried into the seabed remain buried.

Flowlines and Power Cable:

- The 8" Production Flowline was buried except for 2.0% of its total length.
- The 6" Water Injection Flowline was buried except for 1.3% of its total length.
- The 6" Panuke Export Flowline was buried except for 1.3% of its total length.
- The 6" Cohasset Export Flowline was completely buried.
- The Power Cable was buried except for 0.2% of its total length.

A comparison of how this latest flowline and power cable burial data fits within the overall subsea inspection history of the Cohasset Project is included below:

Item	1991 % Exposed	1997 % Exposed	1998 % Exposed	2004 % Exposed	2006 % Exposed
Cohasset Export Flowline	100	no survey	0.5	0	0
Pirelli Power Cable	100	no survey	2	1	0.2
Production Flowline	100	no survey	25	2.5	2.0
Water Injection Flowline	100	no survey	17	2.5	1.3
Panuke Export Flowline	Not installed	100	50	2.5	1.3

The Survey results confirm the 2004 results that the self burial process is now essentially complete and that no flowline spans exist.

When comparing the 2006 and 2004 survey results, the partial flowline exposures observed show an overall reduction in the length and number of exposures. These partially unburied sections predominately occur on the flowline sections closer to the former Panuke platform location.

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In addition, please find attached updated air emission calculations for the Cohasset Phase II Decommissioning program including the 2006 Subsea Survey Inspection activities as per requirement (a), Summary of Follow-up and Monitoring, from Appendix 1 of the Board's Decision Report respecting EnCana's Application to Amend the Cohasset Development Plan.

If you have any questions or require additional documentation, please feel free to contact Hugh Farrell at 492-5453.

Yours sincerely,

ENCANA CORPORATION

James G. Spurr
Associate General Counsel

JGS/ket
Attachment

cc: Malcolm Weatherston
Hugh Farrell
Marielle Thillet
Rob MacQueen
Lori MacLean
David Trask

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Date: ***Jan 30, 2007 [Updated information from the Dec 2006 air emission report is in bold italic]***

EMISSION CALCULATIONS FOR ENCANA'S COHASSET PHASE II DECOMMISSIONING

1. PURPOSE:

Address requirement (a), Summary of Follow-up and Monitoring, from Appendix 1 of the CNSOPB's *Decision Report, EnCana's Application to Amend the Cohasset Development Plan*, Dec 2004.

2. AIR EMISSION CALCULATIONS:

Vessel	Used Fuel (m3)	Density 15°C	Sulfur content	Engine Types	Air Emission Factors (kg/ton* of fuel) (1)					
					NOx	CO	CO2	VOC	PM	SOx
SSCV Hermod	433	0.8581	0.1760 %	Medium	59	8	3250	2.7	1.2	3.6960
Alex Gordon	49.4	0.8630	0.0346 %	speed	59	8	3250	2.7	1.2	0.7266
Venture Sea	121	0.8758	0.0424 %	diesel	59	8	3250	2.7	1.2	0.8904
DSV Marianos	22	0.8552	0.2372 %	engines	59	8	3250	2.7	1.2	4.9812
RV Coriolis II	***13.33***	***0.825***	***0.0015 %***	***Colored diesel***	***59***	***8***	***3250***	***2.7***	***1.2***	***0.0315***
Total	***638.73***									

Vessel	Air Emissions (MT*)					
	NOx	CO	CO2	VOC	PM	SOx
SSCV Hermod	24.16	3.28	1,331.09	1.11	0.49	1.51
Alex Gordon	2.77	0.38	152.73	0.13	0.06	0.03
Venture Sea	6.89	0.93	379.64	0.32	0.14	0.10
DSV Marianos	1.22	0.17	67.40	0.06	0.02	0.10
RV Coriolis II	***0.72***	***0.10***	***39.40***	***0.03***	***0.01***	***0.00***
TOTAL	***36***	***5***	***1,970***	***2***	***1***	***2***

* MT = Metric Tonnes; ton = US Short Ton
(1) Lloyd's Register, 1990, except PM factor from Bouscaren, 1990.

3. BASIS:

Emission factors from *Methodologies for Estimating Air Pollutant Emissions from Ships*, Techne report MEET RF98, Aug 1998, Table 6 (page 11).

As agreed with Environment Canada (EnCana's *Cohasset Phase II Decommissioning, Action Plan for Screening Report Requirements, Mitigation and Follow-up*, July 2005), air emission calculations are based on fuel consumed by the vessels when working at the Cohasset decommissioning site (fuel consumed during transit to and from the decommissioning site is not included). Duration of activities on site was as follows:
-- DSV Marianos: Sep 8-9, 2005 (2 days)
-- SSCV Hermod, Alex Gordon and Venture Sea: Sep 19-Oct 1, 2005 (13 days)

Air emissions calculations for the RV Coriolis II used for the 2006 Decommissioning Subsea Survey Inspection include fuel consumed during transit. The RV Coriolis II activities were as follows:
-- Departure: Sydney, NS, Nov 29, 2006
-- Arrival: Mulgrave, NS, Dec 1, 2006 (total duration of activities of 3 days)

Provenance/destination of vessels before/after decommissioning activities is provided below for information:

	Mobilized from:	Next destination:
SSCV Hermod	Rotterdam, Holland	Louisiana, GOM
Alex Gordon	Halifax, NS	Halifax, NS
Venture Sea	Halifax, NS	Halifax, NS
DSV Marianos	Bay Bulls, NFLD	Bay Bulls, NFLD
RV Coriolis II	***Sydney, NS***	***Mulgrave, NS***