



EnCana Corporation

EnCana on 8th
1800 855 2nd Street SW
PO Box 2850
Calgary AB Canada T2P 2S5

tel: (403) 645-2000

www.encana.com

September 8, 2008

Ms. Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street
Washington, D.C. 20549-1096

**Re: File Number S7-15-08
Proposing Release entitled "MODERNIZATION OF THE OIL AND GAS
REPORTING REQUIREMENTS" dated June 26, 2008**

Dear Ms. Harmon:

Thank you for the opportunity to provide comment with respect to this Proposing Release. The breadth and depth of the requests for comment is impressive, speaks to the considerable time and thought that the Commission and its staff are putting into this effort and serves as a reminder of the intricacies that arise when considering changes to the definitions and existing regulatory framework governing the disclosure of oil and gas reserves and related information.

Year-End Pricing

Your proposal to use a 12-month average price is appropriate.

Daily data, in its entirety, is readily available and should be used for the 12-month period (regardless of the end point) rather than any single day price during a week, month or year. In this way, the impact of seasonal influences and market aberrations would be mitigated to the greatest degree possible.

As suggested in our letter of February 19, 2008, as well as by others, the average price could be for the 12-month period ending the previous reporting quarter in order to facilitate the more timely completion of the year-end reserves evaluation

process. Admittedly, the implied three month lag time is not necessary and yet it is both preferable and reasonable. That it is specified helps to preserve the comparability of reported information.

The benefits of requiring, rather than merely permitting, disclosure based on several different pricing methods is debatable, at best. Clarity and comparability of filings would likely suffer and the regulatory burden increased.

Many proponents of disclosure based on future prices appear to be focused on attempting to prescribe value rather than value being determined by the investor, for which comparability of disclosure is the paramount concern.

Prices used for accounting purposes

It is the reserves estimates effective as of a certain date that are important for accounting purposes, rather than the premise that the commodity prices employed in the determination of those reserves estimates be specific as of a single day.

There is no need for two sets of reserves estimates, nor does the use of a 12-month average price foreshadow significant changes or swings in a company's reserves estimates and calculations or estimates for accounting purposes derived therefrom. On the contrary, the use of a 12-month average price should act to minimize the revisions that can occur as a consequence of utilizing single day pricing. Hence, accounting requirements should be aligned.

Extraction of Bitumen and Other Non-Traditional Resources

As noted in our letter of February 19, 2008, the current exclusions from oil and gas activities should be eliminated.

Reasonable Certainty and Proved Oil and Gas Reserves

The proposed standard is appropriate and consistent with existing guidance.

The percentage thresholds for defining reasonable certainty when probabilistic methods are used have been the subject of considerable discussion for many years. At this point, the provisions of the Society of Petroleum Engineers – Petroleum Resources Management System (SPE-PRMS) should suffice.

Technology

The proposed definition of “reliable technology” is appropriate. This is an area where we would suggest that too much specificity might detract from its utility and enduring applicability. An approach deemed “reasonable” in the eyes of a qualified evaluator bolstered by periodic guidance from the Commission should suffice.

Some written comment on the technology used to establish appropriate levels of certainty regarding disclosed reserves estimates would also be a reasonable expectation. In the event that the written comment was found wanting, the Commission could always call for clarification.

Evaluation Methodologies

The proposed definitions of “deterministic estimate” and “probabilistic estimate” are consistent with existing industry guidance and SPE-PRMS in particular.

The flexibility to use either method for reserves estimation would be preferable, but as a number of your bulleted questions in this and subsequent areas serve to highlight, allowing for this could prove to be somewhat problematic with respect to comparability.

Widespread use or applicability of fully probabilistic methods is not a foregone conclusion given potential issues such as the availability of a meaningful sample size, data distribution, portfolio effects and appropriate percentage probability thresholds. Probabilistic approaches can inspire a degree of confidence that may be unfounded upon a closer examination of both underlying assumptions and data sets.

With this in mind, if a single method were required, it should be deterministic. Deterministic methods have been widely used for many years and are generally understood and accepted.

Disclosure of “Probable Reserves” and “Possible Reserves”

The disclosure of probable and possible reserves, as proposed, should be permitted. It provides a company with the opportunity to disclose quantitative reserves information “beyond proved” in accordance with industry-recognized categories and definitions.

However, as noted in our letter of February 19, 2008, 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.

It is for this, and other reasons, that disclosure of probable and possible reserves should be permitted but not required.

The proposed definitions for probable and possible reserves and the percentages for probability thresholds when a company uses probabilistic methods are all consistent with the provisions of SPE-PRMS, which should suffice.

The argument can be made that stakeholders would be equally or better served by the disclosure of high degree of certainty and/or best estimate contingent resources rather than the disclosure of estimates of possible reserves.

Definitions of “Proved Undeveloped Reserves”

The proposed replacement of certainty thresholds is consistent with the concept of reasonable certainty which governs the assignment of proved reserves generally.

The definition of proved undeveloped reserves should be expanded to permit the use of techniques that have been proven effective by actual production from projects in an analogous reservoir in the same geologic formation in the immediate area, or by other evidence using reliable technology that establishes reasonable certainty.

Prohibiting a company from assigning proved status to undrilled locations if the locations are not scheduled to be drilled within five years, absent unusual circumstances, is more or less consistent with SPE-PRMS and others. However, it would be difficult to both envision and specify all types of unusual circumstances. In fact, we would submit that in the case of the development of continuous accumulations, the circumstances may not be that “unusual”. For continuous accumulations, PUD assignments associated with an active development plan could extend beyond five years, with reasonable certainty.

Increased granularity of disclosure

Disclosure should be by product type rather than accumulation type. In many instances, conventional and continuous accumulations are found to be inter-bedded and/or cost-effective development is via co-mingled completions, thereby rendering separate disclosure inconsequential. Regardless of the accumulation, what remains paramount is the product type, producing rates, net backs and incurred and future development costs.

Increased granularity of disclosure by geographic area, drilling activities and other considerations, although laudable in some respects, would represent a significant undertaking and could prove to be detrimental to a company’s relative competitiveness.

Preparation of reserves estimates or reserves audits

Given the relative importance of reserves and resources estimates in the analysis and valuation of companies engaged in oil and gas activities, it is a reasonable expectation that said companies provide or be prepared to provide information with respect to those involved in the preparation of these estimates, their qualifications, experience, methodologies employed and level of independence.

Generally, the more specificity built into any agreement or regulatory process, the more “what if” questions or concerns tend to arise. To a point, the more a principles-based approach is taken, the more the requirements are likely to stand the test of time.

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

Yours truly,

ENCANA CORPORATION



D. H. Dwight Barton, P.Eng., MBA
Vice-President, Reserves Assessment