

Horn River News

Shale Gas in Northern BC and elsewhere...

EnCana announces major new shale play

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Randy Eresman, CEO, EnCana Corp. (archive photo)

Speaking on a conference call announcing first quarter results, EnCana Corp. CEO, Randy Eresman plugged a new shale gas play in Alberta that could be in the same class/size of bigger North American shale gas basins in British Columbia, Louisiana and Texas. EnCana has acquired approximately 100,000 hectares over the Duvernay Shales in the west central region of the province near Whitecourt and Fox Creek.

Low natural gas prices have hammered the companies net earnings, and torpedoed Encana's plans to double natural gas production by 2015. The Company's first-quarter net earnings plunged to \$78 million. The Duveray shale play will be part of the Company's strategy to shift new development toward crude oil and natural-gas

liquids which are more closely tied to the soaring price of crude oil. After spending nearly 2/3 of the \$6 billion the company planned to invest in natural gas, it will now shift ~\$1 billion of its capital budget for this year over to natural gas liquids and crude oil exploration. This is an about face for the Company after EnCana split off its oil assets into Cenovus Energy in 2009.

Mr. Eresman is quoted as stating:

"Unfortunately, a full North American economic recovery did not occur as quickly as expected, and natural-gas prices retreated further. I want to emphasize that we haven't abandoned our goal to double our size on a per-share basis. We've just accepted that it may take a little longer than originally planned to achieve it."

Toronto Star: [Soft gas prices cause EnCana to shift gears](#)

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