**Encana is not in favor of Standards Request R15007.**

**1. NAESB as an organization has historically hesitated making changes to the NAESB Standard Agreement unless those changes affected most users of the NAESB Standard Agreement. NAESB has made modifications to the NAESB Standard Agreement, but has done so sparingly. Standard Request R15007 does not affect most users of the NAESB Agreement.**

**2. The proposed Standard Request R15007 seeks to remedy a current problem with the CFTC’s volumetric optionality test affecting end-use users of the NAESB Standard Agreement. The CFTC’s rules have not yet been finalized and the request seems premature.**

**3. The proposed Standard Request R15007 is easily remedied, without change to the NAESB Standard Agreement, by use of the Special Provisions. For affected parties entering into NAESBs, it is just as easy to include the language in the Special Provisions. For affected parties who wish to clarify the parties’ status, they could easily do so in a side letter agreement or an amendment to an existing NAESB.**

**4. In the past when the NAESB Standard Agreement was updated with a new version, Encana used that version going forward and would go back and try to replace the previous versions of the previous NAESB Standard Agreement with the new NAESB Standard Agreement. This was done because the “industry” collectively decided (through participation in the process) that changes in law and the industry necessitated changes. From a contract management perspective, do we believe the industry is going to want to use this new NAESB Standard going forward and then want to replace our previous NAESB Standard Agreements with this new NAESB Standard Agreement reflecting the change reflected in Standard Request R15007? I do not believe most users of the NAESB Standard Agreement would do that and that should have some bearing about the need for proposed Standard Request R15007.**

**Standard Request R15007 is a very minor proposed change to the NAESB Base Standard Agreement, affecting only one segment of NAESB users. The request does not meet the standards which have been used in the past when proposing changes to the NAESB Agreement. It is premature and not the most efficient way to deal with the problem. Encana is not in favor of the request.**