

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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AUG 07 2012

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No
SF-078860
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Encana Oil & Gas (USA) Inc.

3a. Address
370 17th Street, Suite 1700
Denver, CO 80202

3b. Phone No (include area code)
720-876-3437

4. Location of Well (Footage, Sec, T, R., M., or Survey Description)
SHL: 1935' FSL, 205' FEL Section 24, T24N, R9W
BHL: 1935' FSL, 330' FWL Section 24, T24N, R9W

7. If Unit of CA/Agreement, Name and/or No

8. Well Name and No
Escrito I24-2409 01H

9. API Well No
30-045-35322

10. Field and Pool or Exploratory Area
Bisti - Lower Gallup

11. Country or Parish, State
San Juan County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Encana Oil & Gas (USA) Inc. (Encana) would like to adjust the casing and cementing program for the Escrito I24-2409 01H well. Surface casing will change from 13 3/8" to 9 5/8"; intermediate casing will change from 9 5/8" to 7" (the setting depth will change to 5742' MD, which is at 90deg in the curve); production liner will change from 5 1/2" to 4 1/2" (and will be set from 5542' MD to the well's TD at 9962' MD). Fresh water mud systems will be used in both the surface and intermediate sections. Oil-based mud will be used from intermediate shoe to TD of well. Please see attached wellbore diagram for cementing changes.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

RCVD AUG 22 '12
OIL CONS. DIV.
DIST. 3

CONFIDENTIAL

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Amanda Cavoto

Title Engineering Technologist

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy L. Saliers

Title Petroleum Engineer

Date 8/13/2012

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

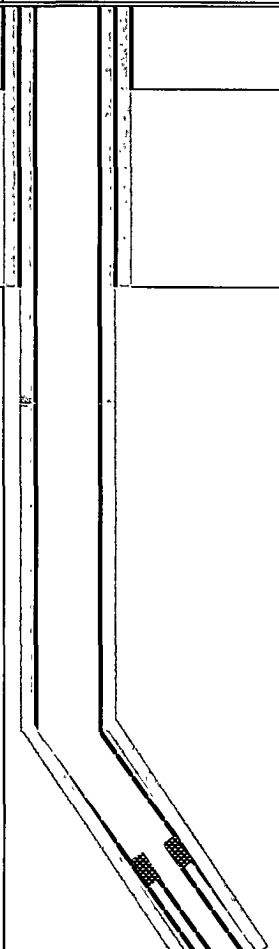
Office

FFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD A

| | | | | | | | | | | |
|--|----------------------|--|--|------|--|---|--|--|--|----------------------------|
| LOC: Sec 24-T24N-R9W County: San Juan WELL: Escrito I24-2409 01H | | | Encana Natural Gas WELL SUMMARY | | | encana TM natural gas | | ENG: J. Fox/ A. RIG: GLE: 6880 RKBE: 6893 | | 8/6/12 |
| MWD LWD | OPEN HOLE LOGGING | FORM | DEPTH TVDMD | | | HOLE SIZE | CASING SPECS | MW MUD TYPE | DEVIATION INFORMATION | |
| | | | 60 | 60' |  | 30 | 20" 94# 100sx Type I Neat 48.8ppg cmt, Yield 1.14 cuft/sk | Fresh wtr 8 3-9 2 | | |
| Surveys After csg is run | None | | | | | 12 1/4 | 9 5/8" 36ppf J55 STC TOC @ surface 178 sks Type III Cmt + 1%CaCl + 0 25 lb/sk Cello Flake + 0.2% FL-52A Mixed at 14 6 ppg. Yield 1.38 cuft/sk | Fresh wtr 8 4-8 6 | Vertical <1° | |
| Surveys every 500' | No OH logs | Ojo Alamo Ss Kirtland Shale Fruitland Coal Pictured Cliffs Ss Lewis Shale Cliffhouse Ss Menefee Fn Point Lookout Ss Mancos Sh KICK OFF PT | 1016 1160 1378 1765 1943 2621 3341 4216 4420 4837 | | | 8 1/2 | 7" 26ppf J55 LTC TOC @ surface 30% OH excess: 608sks Lead 155 sks Premium Lite FM +3% Calcium Chloride + 0 25 lbs/sack Cello Flake + 5lbs/sack LCM-1 + 8% Bentonite + 0 4% Sodium Metasilicate + 0 4% FL-52A Mixed at 12 1ppg. Yield 2 13 cf/sk. Tail 453sks Type III Cmt + 1%CaCl + 0 25 lb/sk Cello Flake + 0 2% FL-52A Mixed at 14 6 ppg. Yield 1 38 cuft/sk | Fresh Wtr 8 5-8 8 | Vertical <1° | |
| | | Gallup Top | 5229 5410 | 5742 | | | 6 1/8 | 200' overlap at liner top | | KOP 4837 10 deg/100' |
| Surveys every 500' Gyro at CP MWD Gamma Directional | No OH Logs | horz target Base Gallup | 5410 5554 | 5742 | | | 4220' Lateral | 8 6-9 0 OBM | 25deg updip 5373'TVD TD = 9962' MD | |
| | | | | | | | 4 1/2" 11.6ppf SB80 LTC Running external swellable csg packers for isolation of prod string | OBM 8 6-9 0 | | |

NOTES:

- 1) Drill with 30" bit to 60', set 20" 94# conductor pipe
- 2) Drill surface to 500', R&C 9 5/8" casing
- 3) N/U BOP and surface equipment
- 4) Drill to KOP of 4837' , 8 1/2" hole size,
- 5) PU directional tools and start curve at 10deg/100' build rate
- 6) Drill to casing point of 5742' MD (90deg)
- 7) R&C 7" casing, circ cmt to surface, switch to OBM
- 8) Land at 90deg, drill 4220' lateral to 9962', run 4 1/2" liner with external swellable csg packers