

Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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|---|
| WELL API NO. 30-045-35362 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Escrito 116-2409 |
| 8. Well Number 01H |
| 9. OGRID Number 282327 |
| 10. Pool name or Wildcat Bisti Lower - Gallup |
| RCVD MAY 9 '13 OIL CONS. DIV. DIST. 3 County San Juan |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6821 GR |

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| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | |
| 2. Name of Operator Encana Oil & Gas (USA) Inc. | |
| 3. Address of Operator 370 17 th Street, Suite 1700 Denver, CO 80202 | |
| 4. Well Location SHL: Unit Letter I: 2230 feet from the SOUTH line and 300 feet from the EAST line BHL: Unit Letter L: 2250 feet from the SOUTH line and 336 feet from the WEST line. Section 16 Township 24N Range 9W NMPM | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6821 GR | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|---|---|--|--|
| PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Per the discussion between Craig Miley with Encana Oil & Gas (USA) Inc and Charlie Perren and Brandon Powell, below is the plan for the Escrito 116-2409 01H remediation.

- Shoot two squeeze holes at 1187' (50' below the Ojo Alamo/Kirtland geologic interface) and establish injection. If circulation is established to surface, then cement squeeze with enough cement to cover the interval from 1187' – 900' (Top of Cement would then be 50' above the Ojo Alamo/Nacimiento geologic interface). At a minimum, the following intervals need to be covered with cement: 1087' – 1187' and 900' – 1000' MD. A second set of squeeze holes is not preferable but may be necessary to cover the upper Ojo/Nacimiento interface as requested.
- After squeezing, WOC for ~24 hours and re-run a CBL to confirm top of cement and that adequate coverage is evident across the above-mentioned geologic interfaces.
- If TOC is adequate, RIH with TBG and a junk mill to drill out cement/clean out to the RBP. Pressure test squeeze holes to 500 psi and chart for 30 minutes.
- If test is good, then remove RBP from 7" CSG, proceed with 4.5" CSG patch operations, test patch to 3000 psi for 30 minutes, and RIH to retrieve RBP set in 4.5" CSG.
- RIH with 2-3/8" 4.7# J55 production tubing & gas lift mandrels + packer and return well to production.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Robynn Haden TITLE Engineering Technologist DATE 5/7/13

Type or print name Robynn Haden E-mail address: robynn.haden@encana.com PHONE: 720-876-3941
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APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector,
Conditions of Approval (if any): District #3 DATE 5/15/13