Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR, DUDGALLOE LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 201

Expires: J

BUREAU OF LAND MANAGEMENT			NMNM 16760 & NM	NMNM 16760 & NMNM 36473	
SUNDRY NOTICES AND REPORTS ON WELLS 1 8 2013 Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals and the such proposals and the such proposals are the such proposals.			6. If Indian, Allottee of N/A	6. If Indian, Allottee or Tribe Name	
SUBMI	T IN TRIPLICATE – Other inst	ructions on page 2. and Mana	PGO 간네다Unit of CA/Agree	ement, Name and/or No. OIL CONS. DIV.	
Type of Well			8. Well Name and No. Escrito L17-2409 01	8. Well Name and No. Escrito L17-2409 01H DIST. 3	
2. Name of Operator Encana Oil & Gas (USA) Inc.			9. API Well No. 30-645-	35487-	
370 17th Street, Suite 1700		Phone No. (include area code) 0-876-3567			
4. Location of Well <i>(Footage, Sec., T.,</i> SHL: 1730' FSL and 310' FWL Sec 17, T24N, R BHL: 2200' FSL and 330' FWL Sec 18, T24N, R		11. Country or Parish, San Juan, NM	11. Country or Parish, State San Juan, NM		
12. CHEC	CK THE APPROPRIATE BOX(E	ES) TO INDICATE NATURE OF N	OTICE, REPORT OR OTH	ER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
✓ Notice of Intent	Acidize Alter Casing	Deepen	Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity	
Subsequent Report Final Abandonment Notice	Casing Repair Change Plans Convert to Injection	New Construction Plug and Abandon Plug Back	Recomplete Temporarily Abandon Water Disposal	Other Change of access road	
the proposal is to deepen direction Attach the Bond under which the following completion of the involve	ally or recomplete horizontally, g work will be performed or provide ved operations. If the operation re Abandonment Notices must be find or final inspection.)	give subsurface locations and measure the Bond No. on file with BLM/B; esults in a multiple completion or relied only after all requirements, included the control of the c	red and true vertical depths of IA. Required subsequent repector in a new interval uding reclamation, have been 13. Encana would like to of	ports must be filed within 30 days I, a Form 3160-4 must be filed once in completed and the operator has Change the existing access road to	
			NOV 4	2 2013 NEIELD OFFICE	
 I hereby certify that the foregoing is Name (Printed/Typed) Holly Hill for Jason Eckman 	true and correct.	Title Field Regulato	ory Analyst		
	- FOR JAION ECKM	AN			

Name (Printed/Typed)
Holly Hill for Jason Eckman

Title Field Regulatory Analyst

Date 10/17/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

File

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.

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)

ENCANA OIL & GAS (USA) INC. LATITUDE: 36.311547° N ESCRITO L17-2409 //01H LONGITUDE: 107.820357° W 1730' FSL & 310' FWL DATUM: NAD 83 LOCATED IN THE NW/4 SW/4 OF SECTION 17, T24N, R9W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 6791', NAVD 88 ±932' OF NEW ACCESS ACROSS BLM LANDS 12 Tsah Tah Trading Post STA 57+29.91 EOL PROP. P FEE LANDS ſ.Q INSTALL NEW CATTLE **
GUARD @ FENCE X-ING WF~ ESCRITO L17-2409 #01H STA 0+00.00 **INSTALL NEW 24" CMP**

STA. 9+05 - DRAINAGE

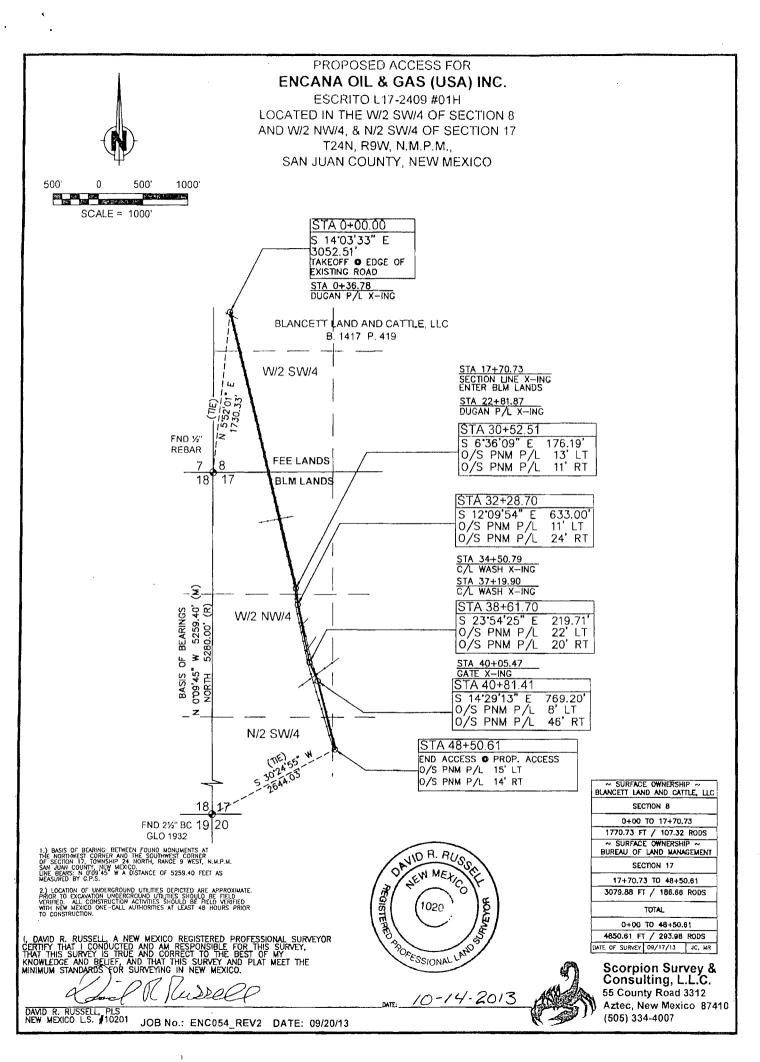
STA. 9+32 - @ PAD

Scorpion Survey & Consulting, L.L.C.
Aztec, New Mexico 87410

(505) 334-4007

U.S.G.S. QUAD: BLANCO TRADING POST

SCALE: 1" = 2000' (1:24,000) JOB No.: ENC054_REV2 DATE: 09/20/13



SHL: NWSW Section 17, T24N R9W

1730 FSL and 310 FWL

BHL: NWSW Section 18, T24N R9W

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Encana Oil & Gas (USA) Inc. Surface Use Plan of Operations

Please see attached survey package and supporting documents:

Survey Package:

Sheet A - Form C-102

Sheet B - Topo Map Depicting Well Site, Access Roads, and Pipeline

Sheet C - Directions to Site

Sheet D – Proposed Access Survey

Sheet E- Adjacent Wells

Sheet F - Proposed Pipeline Survey

Sheets G-1 and G-2- Proposed Well Site Plan and Profile

Sheets H-1 and H-2- Proposed Well Site Layout

Appendix A- Reclamation Plan

Appendix B- Road Maintenance Plan

1. EXISTING ROADS

- A. Existing access roads are shown on Sheet B.
- B. Directions to the site are provided on Sheet C.
- C. The existing road that will be used to access the location was identified at the onsite as a Resource Road in good condition and regularly maintained. Approximately 4,851 feet of this road may need to be upgraded by adding additional cover on top of the road surface to protect the existing buried pipeline that is near the roadway.
- D. Roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location. Encana will inspect and maintain the roads as outlined in the attached Road Maintenance Plan (Appendix B).
- E. Dust emissions will be controlled on the roads and locations, as necessary, with the application of dust suppressants (e.g. magnesium chloride) and/or water. Dust control will be implemented when dust plumes become larger than normal road use conditions or when directed by the BLM Authorized Officer.
- F. If the well is commercially viable, Encana will schedule a meeting with the BLM to discuss which portions of the existing roads may require upgrades and/or surfacing to prevent soil erosion and accommodate year-round traffic.

2. NEW OR RECONSTRUCTED ACCESS ROADS

- A. The proposed access road is staked as shown on Sheet B. Approximately 932 feet of new resource road will be constructed entirely on BLM lands.
- B. The proposed well pad access road was defined as a Resource Road during the onsite conducted on June 27, 2013.

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C. Maximum width will be a 30-foot overall right-of-way with a 14-foot road running surface. During drilling and subsequent operations, all equipment and vehicles will be confined to the 14-foot driving surface.

- D. One 24-inch culvert will be installed on the proposed well pad access road as it enters the pad. Additional culverts may be installed as needed during construction.
- E. Maximum grade will average 2-4 percent.
- F. Construction materials and methods See Item 6.A.
- G. Encana will be responsible for road maintenance from the beginning of construction to completion of operations and the well is plugged and abandoned. See attached Road Maintenance Plan (Appendix B).
- H. Dust emissions will be controlled on the roads and locations, as necessary, with the application of dust suppressants (e.g. magnesium chloride) and/or water. Dust control will be implemented when dust plumes become larger than normal road use conditions or when directed by the BLM Authorized Officer.

3. LOCATION OF EXISTING WELLS

Please refer to Sheet E.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. Survey Monuments

Encana will protect all survey monuments, witness corners, reference monuments and bearing trees in the affected areas against disturbance during construction, operation, maintenance and termination of the facilities authorized herein.

Encana will immediately notify the BLM Authorized Officer in the event that any corners, monuments or markers are disturbed or are anticipated to be disturbed. If any monuments, corner or accessories are destroyed, obliterated or damaged during construction, operation or maintenance, Encana will secure the services of a Registered Land Surveyor to restore the disturbed monuments, corner or accessories, at the same location, using surveying procedures found in the Manual of Surveying Instructions for the Survey of the Public Lands of the United States, latest edition. Encana will ensure that the Registered Land Surveyor properly records the survey in compliance with 12.8.2 NMAC and will send a copy to the BLM.

B. Pipeline

- 1. A 5,730 foot (1.1 mile) up to 6-inch outside diameter, steel gas pipeline, is proposed. The entire length of the pipeline will be co-located with existing and proposed access road along with the existing Enterprise pipeline. 1,838 is on fee and 3,892' is on BLM land. This well will be connected to the proposed Encana Escrito Trunk #1 Phase 1 pipeline in the NWSW of Section 8, T24N R9W. Please refer to Sheet B and Sheet F.
- 2. Encana will request a 40-foot right-of-way for the pipeline. When co-located with the access road, construction width of the pipeline workspace will be restricted to 50 feet of disturbance, including the access road and will be designated as 20 feet of disturbance adjacent to the road and 30 feet of disturbance on the road. When the pipeline is co-located with the existing pipeline corridor the workspace will be 40 feet. The centerline will offset 15 feet from the existing pipeline.

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3. All buried pipelines will be buried to a depth of 3 feet, except at road crossings where they will be buried to a depth of 4 feet.

- 4. Pipeline location warning signs will be installed within 90 days after construction is completed.
- 5. The pipeline right-of-way will be conditioned in a manner to preclude vehicular travel upon said right-of-way, except for access to pipeline above-ground appurtenances.

C. Production Facility

- 1. The production equipment and facility layout will be deferred until the facility and reclamation onsite with the BLM prior to setting any equipment.
- 2. Production equipment will be placed on location in such a manner to minimize long-term disturbance and maximize interim reclamation. As practical, access will be provided by a teardrop-shaped road through the production area so that the center may be revegetated.
- 3. A berm will be constructed completely around any production facilities which contain fluids (i.e. production tanks, produced water tanks, etc.) These berms will be constructed of compacted subsoil, corrugated metal, or equivalent, be impervious, and hold 110 percent of the capacity of the largest tank.
- 4. All permanent (onsite for 6 months or longer) above-ground equipment constructed or installed, including pumping units, will be painted Covert Green. All production facilities will be painted within 6 months of installation. Facilities that are required to comply with Occupation Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

5. LOCATION AND TYPES OF WATER SUPPLY

A. Water to be used for the drilling and completing of this well will be hauled by truck over the roads described in Items 1 and 2. The water source will be from an existing private water well located in the SWNE of Section 32, T25N R9W. The well has been assigned the POD Number SJ 01979-S4 by the New Mexico Office of the State Engineer. To access the well pad from this water well turn right and go 0.2 miles to the "Y" intersection. Turn left and go 0.2 miles to the "Y" intersection. Turn left and go 0.6 miles to gate. Continue past gate 0.2 miles where access to the Escrito L17-2409 01H is staked on right side of road. Encana does not plan to drill a water well.

6. CONSTRUCTION MATERIALS AND METHODS

A. Access Road

 The access road will be designed and constructed as a Resource Road in accordance with the BLM Gold Book Standards and BLM 9113-1 (Roads Design Handbook) and BLM 9113-2 (Roads National Inventory and Condition Assessment Guidance and Instructions Handbook). Construction will include ditching, draining, installing culverts, crowning and capping or sloping and dipping the roadbed, as necessary, to provide a well-constructed and safe road.

The proposed access road will not be constructed to all-weather standards prior to drilling and completing the proposed well. If the well is commercially viable, Encana will schedule a meeting with the BLM to discuss which portions of the roads (proposed access road and existing access roads) may require upgrades and/or surfacing to prevent soil erosion, and accommodate year-round traffic. All other construction requirements will be completed prior to drilling.

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2. One existing fence will be impacted by the use of the existing access road and construction of the pipeline. A cattle guard and gate will need to be installed at the fence crossing on the access road where there is currently a gate. This will be done unless it has been done for a prior project. The pipeline will cross the fence line and H-braces will be installed prior to cutting the fence. The H-braces will be installed in accordance with the BLM Gold Book Standard. A temporary gate will be constructed and used during construction. It will be kept closed to prevent livestock from getting through. After pipeline reclamation, the fence will be repaired to as good or better condition than it was prior to construction activities.

3. Any trees larger than 3-inches in diameter will be cut at ground level and delimbed. The trunks will be stacked whole along the access road, well pad, and/or pipeline for wood gathering. Stumps will be cut as close to the ground as possible. Stumps and root balls will be hauled to an approved disposal site or stockpiled at the edge of the well pad and buried in the cut slopes of the pad during interim reclamation.

Any trees smaller than 3-inches in diameter, slash and brush will be chipped, shredded or mulched and incorporated into the topsoil for later use in interim reclamation.

Remaining brush will be brush-hogged or scalped at ground-level prior to ground disturbance.

4. After removal of vegetation, topsoil will be segregated and windrowed on the edge of the access road. Topsoil will be defined as the top six (6) inches of soil. The stockpiled topsoil will be free of brush and tree limbs, trunks and root balls, but may include chipped or mulched material so long as it is incorporated into the topsoil stockpile.

Topsoil will not be stripped when soils are moisture-saturated or frozen below the stripping depth.

- 5. All construction materials for the access road will consist of native borrow and subsoil accumulated during road construction. If additional fill or surfacing material is required, it will be obtained from existing permitted or private sources and will be hauled in by trucks over existing access roads to the area.
- 6. The proposed access road will be crowned and ditched or sloped and dipped, and water turnouts installed as necessary to provide proper drainage. Drainage design will be in accordance with BLM Gold Book standards and BLM 9113-1 (Roads Design Handbook) and BLM 9113-2 (Roads National Inventory and Condition Assessment Guidance and Instructions Handbook).
- 7. One 24-inch culvert will be installed on the proposed well pad access road as it enters the pad. Please see Sheet B. Culverts will be installed if needed on the upgraded portion of the existing access road. Culverts will be sized and installed in accordance with BLM Gold Book standards and BLM 9113-1 (Roads Design Handbook) and BLM 9113-2 (Roads National Inventory and Condition Assessment Guidance and Instructions Handbook).
- 8. Construction equipment may include chain saws, a brush hog, scraper, maintainer, excavator, and dozer. Construction of the access road and well pad will take approximately 1 to 2 weeks.

B. Well Pad

1. Any trees larger than 3-inches in diameter will be cut at ground level and delimbed. The trunks will be stacked whole along the access road, well pad, and/or pipeline for wood

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gathering. Stumps will be cut as close to the ground as possible. Stumps and root balls will be hauled to an approved disposal site or stockpiled at the edge of the well pad and buried in the cut slopes of the pad during interim reclamation.

Any trees smaller than 3-inches in diameter, slash and brush will be chipped, shredded or mulched and incorporated into the topsoil for later use in interim reclamation.

Remaining brush will be brush-hogged or scalped at ground-level prior to ground disturbance.

2. After removal of vegetation, topsoil will be segregated and windrowed on the edge of the access road. Topsoil will be defined as the top six (6) inches of soil. The stockpiled topsoil will be free of brush and tree limbs, trunks and root balls, but may include chipped or mulched material so long as it is incorporated into the topsoil stockpile.

Topsoil will be stockpiled separate from subsoil with a noticeable gap left between the stockpiles. Vehicle/equipment traffic will be prevented from crossing topsoil stockpiles.

Topsoil will not be stripped when soils are moisture-saturated or frozen below the stripping depth.

If the location becomes prone to wind or water erosion, Encana will take appropriate measures to prevent topsoil loss from wind. Such measures may include using tackifiers or water to wet the topsoil stockpile so that a crust is created across the exposed soil to prevent soil loss.

All construction materials for the well pad will consist of native borrow and subsoil
accumulated during well pad construction. If additional fill or surfacing material is required, it
will be obtained from existing permitted or private sources and will be hauled in by trucks over
existing access roads.

The maximum cut will be approximately 9.5 feet on the south corner (corner 5) and the maximum fill will be approximately 10.2 feet on the north corner (corner 2).

- 4. As determined during the onsite on June 27, 2103, the following best management practices will be implemented:
 - a. Water will be diverted around the pad and silt traps installed as needed upon interim reclamation.
- Construction equipment may include chain saws, a brush hog, scraper, maintainer, excavator, and dozer. Construction for the access road and well pad will take approximately 1 to 2 weeks.

C. Pipeline

See the Plan of Development submitted with the final Standard SF-299 Application for authorization to construct, operate, maintain and terminate a 5,730 foot, up to 6-inch buried, steel well connect pipeline that was submitted to the BLM concurrently with the APD.

7. METHODS FOR HANDLING WASTE

A. Cuttings

1. A closed-loop system will be used. Cuttings will be moved through a shaker system on the drill rig that separates drilling fluids from the cuttings. Cuttings will be stored onsite in above-

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ground storage tanks. Cuttings will be pulled from the storage tanks, mixed with saw dust or similar absorbent material, and disposed of at the Envirotech, Inc. and/or Industrial Ecosystem, Inc. waste disposal facilities.

- 2. The closed-loop system storage tanks will be adequately sized to ensure confinement of all fluids and will provide sufficient freeboard to prevent uncontrolled releases.
- 3. A 20-mil liner will be installed under tanks, pumps, ancillary facilities, and truck loading/unloading areas associated with the closed-loop system.

B. Drilling Fluids

- 1. A closed-loop system will be used. Drilling fluids will be stored onsite in above-ground storage tanks. Upon termination of drilling operations, the drilling fluids will be recycled and transferred to other permitted closed-loop systems or returned to the vendor for reuse, as practical. Residual fluids will be vacuumed from the storage tanks and disposed of at Basin Disposal, Inc. and/or Industrial Ecosystem, Inc. waste disposal facilities.
- 2. The closed-loop system storage tanks will be adequately sized to ensure confinement of all fluids and will provide sufficient freeboard to prevent uncontrolled releases.
- 3. The closed-loop system storage tanks will be placed in bermed secondary containment sized to accommodate a minimum of 110 percent of the volume of the largest storage tank.
- 4. A 20-mil liner will be installed under tanks, pumps, ancillary facilities, and truck loading/unloading areas associated with the closed-loop system.

C. Flowback Water

- 1. The water-based solution that flows back to the surface during and after completion operations will be placed in storage tanks on the location.
- 2. Flowback water will be confined to a storage tank for a period not to exceed 90 days after initial production and will be disposed of at Basin Disposal, Inc. and/or Industrial Ecosystem, Inc. waste disposal facilities.
- D. Spills any spills of non-freshwater fluids will be immediately cleaned up and removed to an approved disposal site.
- E. Sewage self-contained, chemical toilets will be provided for human waste disposal. The toilet holding tanks will be pumped, as needed, and the contents thereof disposed of in an approved sewage disposal facility. The toilets will be onsite during all operations.
- F. Garbage and other waste material garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash container during drilling and completion operations. The accumulated trash will be removed, as needed, and will be disposed of at an authorized sanitary landfill. No trash will be buried or burned on location.
- G. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash container will be cleaned up and removed from the well location.
- H. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing or completing of this well.

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I. No extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

8. ANCILLARY FACILITIES

A. Standard drilling operation equipment that will be on location includes: drilling rig with associated equipment, temporary office trailers equipped with sleeping quarters for essential company personnel, toilet facilities, and trash containers.

9. WELL SITE LAYOUT

- A. The proposed well pad layout is shown on Sheets G-1, G-2, H-1, and H-2. Cross sections have been drafted to visualize the planned cuts and fills across the location. Refer to Item 6 for construction materials and methods.
- B. No permanent living facilities are planned. Office trailers equipped with living quarters will be provided on location during drilling and completions operations.
- C. The production facility layout is being deferred until the Facility and Reclamation onsite with the BLM Representative.

10. PLANS FOR SURFACE RECLAMATION

The project falls within the Sagebrush Vegetation Community. During the onsite on June 27, 2013, plant species were picked from the Sagebrush-Grass Community Seed List. These species will be used in the revegetation seed mixture. Please see Reclamation Plan (Appendix A).

The well pad, road and pipeline will fall under the BLM Vegetation Reclamation Procedure B. A site-specific Reclamation Plan is located in Appendix A. The BLM will be contacted 48 hours prior to construction and reclamation.

11. SURFACE OWNERSHIP

Bureau of Land Management and fee.

12. OTHER INFORMATION

- A. A Standard Form SF-299 Application for authorization to construct, operate, maintain and terminate a 30-foot overall right-of-way access road with a 14-foot road running surface was submitted to the Bureau of Land Management on May 23, 2013. A Surface Use Plan of Operation was submitted to the Bureau of Land Management concurrently with the APD.
- B. A Standard Form SF-299 Application for authorization to construct, operate, maintain and terminate a 400-foot by 430-foot right-of-way well pad access was submitted to the Bureau of Land Management on May 23, 2013. A Surface Use Plan of Operation was submitted to the Bureau of Land Management concurrently with the APD.
- C. A Standard Form SF-299 Application to construct, operate, maintain and terminate a 5,730 foot, up to 6-inch buried, steel well connect pipeline was submitted to the Bureau of Land Management on May 23, 2013. A Plan of Development was submitted to the Bureau of Land Management concurrently with the APD. A revised Standard Form 299 and POD were submitted on July 25, 2013.
- D. A Class III Cultural Resource Inventory of the proposed well pad, access road, and pipeline route will be conducted and filed with the BLM-Farmington Field Office.

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E. Construction contractors will call New Mexico One-Call (or equivalent) to identify the location of any marked or unmarked pipelines or cables located in proximity to the proposed well pad, access road, and pipeline at least two working days prior to ground disturbance.

- F. All operations will be conducted in such a manner that full compliance is made with the applicable laws and regulations, the approved Application for Permit to Drill, and applicable Notice(s) to Lessees.
- G. Encana will be fully responsible for the actions of its subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representatives and will be on location during all construction, drilling, and completions operations.