

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

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.

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)
720-876-5353

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: Sec 27, T23N, R6W 990' FSL and 186' FWL
BHL: Sec 35, T23N, R6W 324' FSL and 335' FWL

5. Lease Serial No.
NMNM 118128

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit of CA/Agreement, Name and/or No.
NMNM 131017X

8. Well Name and No.
Gallo Canyon Unit M27-2306 01H

9. API Well No.
30-043-21179

10. Field and Pool or Exploratory Area
Counselors Gallup/Dakota

11. Country or Parish, State
Sandoval

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 checked="" type="checkbox"/> Other Flare Extension
	<input 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 recomple 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 recomple 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) completed the Gallo Canyon Unit M27-2306 01H on 02/17/14. Encana requests an exception from NTL 4A, III C gas flaring (gas test period of 30 days from well completion or 50 MMCF, whichever comes first) and requests an additional 30 days to flare the gas from this well. This extension is requested because this well was completed using a larger frac design which resulted in larger nitrogen and water volumes and additional time is needed to remove fluid off the formation and clean up the well and additional flaring would allow for a better understanding of the well's potential and the Lybrook area potential.

Encana estimates that an average of approximately 2 MMCF/d will be flared. The gas analysis is attached.

RCVD MAR 20 '14

OIL CONS. DIV.

DIST. 3

Approved pursuant to
NTL4A, Part III C

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

Amie Weis

Title Operations Engineer

Signature

Amie Weis

Date 03/14/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

Ret. Eng.

Date

3/18/14

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

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)

NMOCDA

Diablo Analytical BTU Report

Sample Information

Sample Information	
Sample Name	GCU M27 01H
TAKEN BY:	RICK BAIRD
Method Name	RICKNGAH2S
Injection Date	3/10/2014 2:10:00 PM
Report Date	03/10/2014 02:13:44 PM
BTU Configuration File	hexanes plus.cfg
Data Source	Cerity data system connection
Instrument	G2801AGC - US10317001

Component Results

Component Name	Ret. Time	Peak Area	Normalized Mole%	Heating Value (Btu / cu. ft.)	Molar Mass Ratio (G)	GPM (Gal. / 1000 cu. ft.)
Nitrogen	0.478	341573	39.595	0.000	0.3830	4.3673
Methane	0.499	230551	37.634	380.980	0.2085	6.3964
Carbon Dioxide	0.647	1843	0.199	0.000	0.0030	0.0340
Ethane	0.730	94821	9.815	174.098	0.1019	2.6306
Hydrogen Sulfide	0.000	0	0.000	0.000	0.0000	
Propane	1.890	86901	7.990	201.497	0.1217	2.2060
i-Butane	0.308	33732	0.962	31.360	0.0193	0.3156
n-Butane	0.328	81213	2.334	76.314	0.0468	0.7378
i-Pentane	0.393	18689	0.509	20.420	0.0127	0.1869
n-Pentane	0.420	17990	0.469	18.824	0.0117	0.1702
Hexanes Plus	1.110	6682	0.494	25.412	0.0159	0.2150
Total:			100.000	928.905	0.9244	17.2597

Results Summary

Result	Dry
Total Unnormalized Mole%	95.233
Pressure Base (psia)	14.730
Gross Heating Value (Btu / Ideal cu. ft.)	928.905
Gross Heating Value (Btu / Real cu. ft.)	931.524
Real Relative Density	0.92663
Gas Compressibility (Z) Factor	0.99719