

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

JUN 18

SUBMIT IN TRIPLICATE – Other instructions on page 2.		5. Lease Serial No. NMNM 118133
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Encana Oil & Gas (USA) Inc.		7. If Unit of CA/Agreement, Name and/or No. N/A
3a. Address 370 17th Street, Suite 1700 Denver, CO 80202	3b. Phone No. (include area code) (720) 876-3533	8. Well Name and No. Escrito D32-2408 02H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 1336' FNL and 280' FWL Section 32, T24N, R8W BHL: 1880' FNL and 330' FWL Section 31, T24N, R8W		9. API Well No. 30-045-35520
		10. Field and Pool or Exploratory Area Basin Mancos Gas Pool
		11. County or Parish, State San Juan County

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 Revised ICP & Cement Job
	<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 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.)

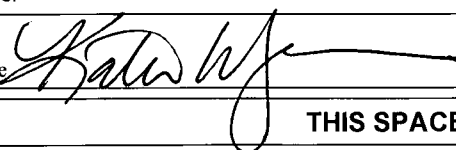
Encana Oil & Gas (USA) Inc. would like to revise the Directional Drilling Plan for the Escrito D32-2408 02H well. The plan was revised to move the ICP to the 330' setback to ensure that the wellbore is cemented up to the setback. The 10-Point Drilling Plan and Wellbore Diagram were updated to reflect this change, which includes updated cement calculations. Please find attached an updated Directional Drilling Plan, 10-Point Drilling Plan and Wellbore Diagram.

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations

OIL CONS. DIV DIST. 3
JUN 24 2014

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

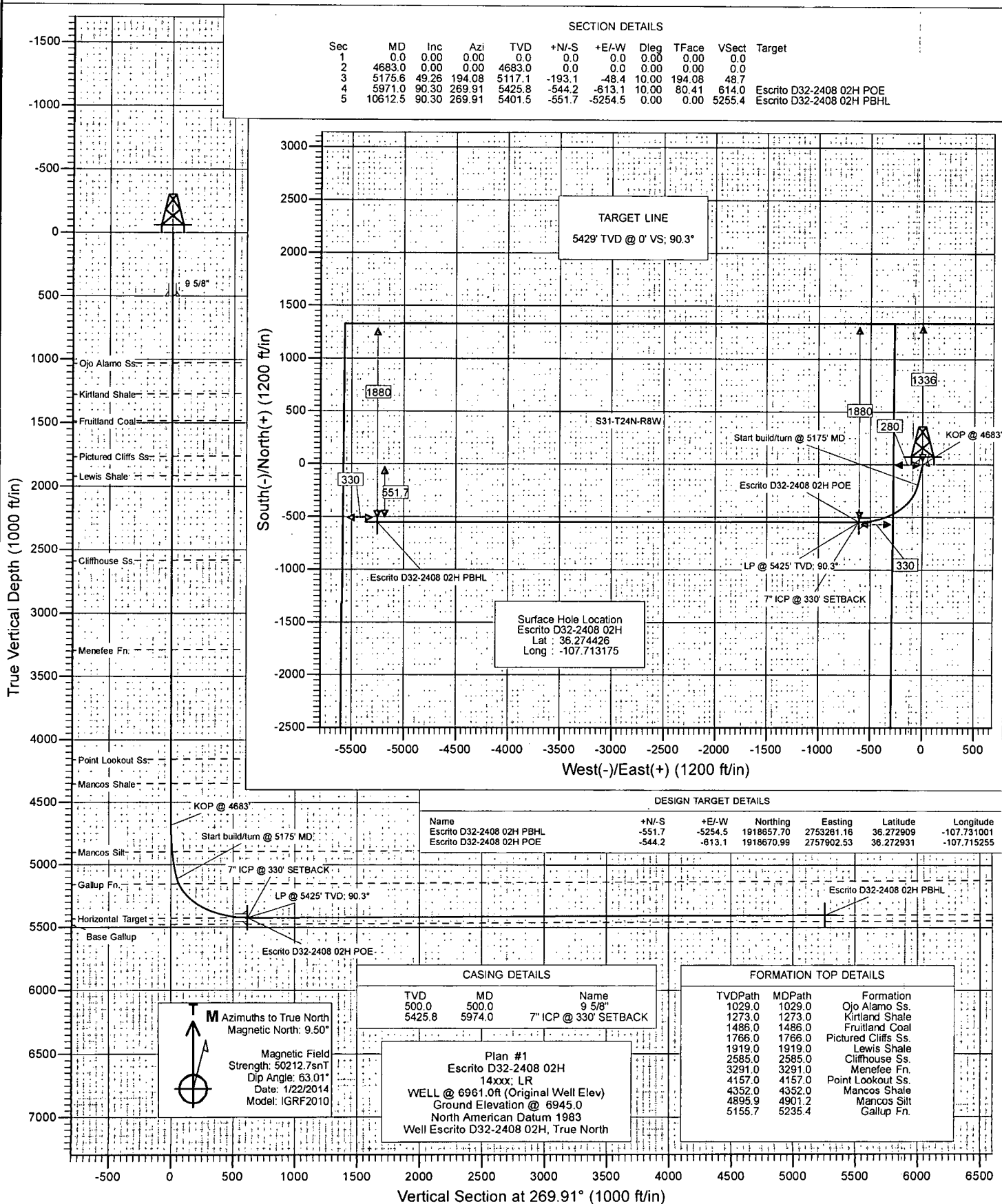
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Katie Wegner		Title Regulatory Analyst
Signature 		Date 06/17/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by William Tambekou	Title Petroleum Engineer	Date 6/19/2014
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.

NMOCDA



Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well Escrito D32-2408 02H
Company:	EnCana Oil & Gas (USA) Inc	TVD Reference:	WELL @ 6961.0ft (Original Well Elev)
Project:	San Juan County, NM	MD Reference:	WELL @ 6961.0ft (Original Well Elev)
Site:	S32-T24N-R8W (Escrito)	North Reference:	True
Well:	Escrito D32-2408 02H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Hz		
Design:	Plan #1		

Project	San Juan County, NM		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Western Zone		

Site		S32-T24N-R8W (Escrito)			
Site Position:		Northing:	1,917,175.15 ft	Latitude:	36.268820
From:	Lat/Long	Easting:	2,758,448.22 ft	Longitude:	-107.713410
Position Uncertainty:	0.0 ft	Slot Radius:	13.200 in	Grid Convergence:	0.07 °

Well	Escrito D32-2408 02H					
Well Position	+N/-S	0.0 ft	Northing:	1,919,215.97 ft	Latitude:	36.274426
	+E/-W	0.0 ft	Easting:	2,758,514.97 ft	Longitude:	-107.713175
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground Level:	6,945.0 ft

Wellbore	Hz				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	1/22/2014	9.50	63.01	50,213

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	269.91

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,683.0	0.00	0.00	4,683.0	0.0	0.0	0.00	0.00	0.00	0.00	
5,175.6	49.26	194.08	5,117.1	-193.1	-48.4	10.00	10.00	0.00	194.08	
5,971.0	90.30	269.91	5,425.8	-544.2	-613.1	10.00	5.16	9.53	80.41	Escrito D32-2408 02H
10,612.5	90.30	269.91	5,401.5	-551.7	-5,254.5	0.00	0.00	0.00	0.00	Escrito D32-2408 02H

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Site:	S32-T24N-R8W (Escrito)	North Reference:	True
Well:	Escrito D32-2408 02H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Hz		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	9 5/8"
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	
1,029.0	0.00	0.00	1,029.0	0.0	0.0	0.0	0.00	0.00	Ojo Alamo Ss.
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	
1,273.0	0.00	0.00	1,273.0	0.0	0.0	0.0	0.00	0.00	Kirtland Shale
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	
1,486.0	0.00	0.00	1,486.0	0.0	0.0	0.0	0.00	0.00	Fruitland Coal
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	
1,766.0	0.00	0.00	1,766.0	0.0	0.0	0.0	0.00	0.00	Pictured Cliffs Ss.
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	
1,919.0	0.00	0.00	1,919.0	0.0	0.0	0.0	0.00	0.00	Lewis Shale
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	
2,585.0	0.00	0.00	2,585.0	0.0	0.0	0.0	0.00	0.00	Cliffhouse Ss.
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	
3,291.0	0.00	0.00	3,291.0	0.0	0.0	0.0	0.00	0.00	Menefee Fn.
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	
4,157.0	0.00	0.00	4,157.0	0.0	0.0	0.0	0.00	0.00	Point Lookout Ss.
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	

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Well:	Escrito D32-2408 02H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Hz		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
4,352.0	0.00	0.00	4,352.0	0.0	0.0	0.0	0.00	0.00	Mancos Shale
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	
4,683.0	0.00	0.00	4,683.0	0.0	0.0	0.0	0.00	0.00	KOP @ 4683'
4,700.0	1.70	194.08	4,700.0	-0.2	-0.1	0.1	10.00	10.00	
4,800.0	11.70	194.08	4,799.2	-11.5	-2.9	2.9	10.00	10.00	
4,900.0	21.70	194.08	4,894.8	-39.4	-9.9	9.9	10.00	10.00	
4,901.2	21.82	194.08	4,895.9	-39.8	-10.0	10.1	10.00	10.00	Mancos Silt
5,000.0	31.70	194.08	4,984.1	-82.9	-20.8	20.9	10.00	10.00	
5,100.0	41.70	194.08	5,064.1	-140.8	-35.3	35.5	10.00	10.00	
5,175.6	49.26	194.08	5,117.1	-193.1	-48.4	48.7	10.00	10.00	Start build/turn @ 5175' MD
5,200.0	49.71	197.24	5,133.0	-210.9	-53.4	53.8	10.00	1.84	
5,235.4	50.51	201.73	5,155.7	-236.5	-62.5	62.9	10.00	2.26	Gallup Fn.
5,300.0	52.40	209.63	5,196.0	-281.9	-84.4	84.8	10.00	2.93	
5,400.0	56.28	220.98	5,254.4	-347.9	-131.4	131.9	10.00	3.88	
5,500.0	61.11	231.23	5,306.4	-406.9	-192.9	193.6	10.00	4.82	
5,600.0	66.63	240.52	5,350.5	-457.0	-267.2	267.9	10.00	5.53	
5,700.0	72.66	249.03	5,385.4	-496.8	-352.0	352.7	10.00	6.03	
5,800.0	79.03	256.98	5,409.8	-525.0	-444.6	445.4	10.00	6.36	
5,900.0	85.59	264.59	5,423.2	-540.8	-542.3	543.1	10.00	6.56	
5,971.0	90.30	269.91	5,425.8	-544.2	-613.1	614.0	10.00	6.64	LP @ 5425' TVD; 90.3°
5,974.0	90.30	269.91	5,425.8	-544.2	-616.1	617.0	0.00	0.00	7" ICP @ 330' SETBACK
6,000.0	90.30	269.91	5,425.6	-544.3	-642.1	643.0	0.00	0.00	
6,100.0	90.30	269.91	5,425.1	-544.4	-742.1	743.0	0.00	0.00	
6,200.0	90.30	269.91	5,424.6	-544.6	-842.1	843.0	0.00	0.00	
6,300.0	90.30	269.91	5,424.1	-544.7	-942.1	943.0	0.00	0.00	
6,400.0	90.30	269.91	5,423.5	-544.9	-1,042.1	1,043.0	0.00	0.00	
6,500.0	90.30	269.91	5,423.0	-545.1	-1,142.1	1,143.0	0.00	0.00	
6,600.0	90.30	269.91	5,422.5	-545.2	-1,242.1	1,243.0	0.00	0.00	
6,700.0	90.30	269.91	5,422.0	-545.4	-1,342.1	1,342.9	0.00	0.00	
6,800.0	90.30	269.91	5,421.4	-545.6	-1,442.1	1,442.9	0.00	0.00	
6,900.0	90.30	269.91	5,420.9	-545.7	-1,542.1	1,542.9	0.00	0.00	
7,000.0	90.30	269.91	5,420.4	-545.9	-1,642.1	1,642.9	0.00	0.00	
7,100.0	90.30	269.91	5,419.9	-546.0	-1,742.1	1,742.9	0.00	0.00	
7,200.0	90.30	269.91	5,419.3	-546.2	-1,842.1	1,842.9	0.00	0.00	
7,300.0	90.30	269.91	5,418.8	-546.4	-1,942.1	1,942.9	0.00	0.00	
7,400.0	90.30	269.91	5,418.3	-546.5	-2,042.1	2,042.9	0.00	0.00	
7,500.0	90.30	269.91	5,417.8	-546.7	-2,142.1	2,142.9	0.00	0.00	
7,600.0	90.30	269.91	5,417.3	-546.9	-2,242.1	2,242.9	0.00	0.00	
7,700.0	90.30	269.91	5,416.7	-547.0	-2,342.1	2,342.9	0.00	0.00	
7,800.0	90.30	269.91	5,416.2	-547.2	-2,442.1	2,442.9	0.00	0.00	
7,900.0	90.30	269.91	5,415.7	-547.3	-2,542.1	2,542.9	0.00	0.00	
8,000.0	90.30	269.91	5,415.2	-547.5	-2,642.1	2,642.9	0.00	0.00	
8,100.0	90.30	269.91	5,414.6	-547.7	-2,742.1	2,742.9	0.00	0.00	
8,200.0	90.30	269.91	5,414.1	-547.8	-2,842.1	2,842.9	0.00	0.00	
8,300.0	90.30	269.91	5,413.6	-548.0	-2,942.1	2,942.9	0.00	0.00	
8,400.0	90.30	269.91	5,413.1	-548.2	-3,042.1	3,042.9	0.00	0.00	
8,500.0	90.30	269.91	5,412.5	-548.3	-3,142.1	3,142.9	0.00	0.00	
8,600.0	90.30	269.91	5,412.0	-548.5	-3,242.1	3,242.9	0.00	0.00	
8,700.0	90.30	269.91	5,411.5	-548.6	-3,342.1	3,342.9	0.00	0.00	
8,800.0	90.30	269.91	5,411.0	-548.8	-3,442.1	3,442.9	0.00	0.00	

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Wellbore:	Hz		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
8,900.0	90.30	269.91	5,410.4	-549.0	-3,542.1	3,542.9	0.00	0.00	
9,000.0	90.30	269.91	5,409.9	-549.1	-3,642.1	3,642.9	0.00	0.00	
9,100.0	90.30	269.91	5,409.4	-549.3	-3,742.1	3,742.9	0.00	0.00	
9,200.0	90.30	269.91	5,408.9	-549.5	-3,842.1	3,842.9	0.00	0.00	
9,300.0	90.30	269.91	5,408.4	-549.6	-3,942.1	3,942.9	0.00	0.00	
9,400.0	90.30	269.91	5,407.8	-549.8	-4,042.1	4,042.9	0.00	0.00	
9,500.0	90.30	269.91	5,407.3	-549.9	-4,142.1	4,142.9	0.00	0.00	
9,600.0	90.30	269.91	5,406.8	-550.1	-4,242.1	4,242.9	0.00	0.00	
9,700.0	90.30	269.91	5,406.3	-550.3	-4,342.0	4,342.9	0.00	0.00	
9,800.0	90.30	269.91	5,405.7	-550.4	-4,442.0	4,442.9	0.00	0.00	
9,900.0	90.30	269.91	5,405.2	-550.6	-4,542.0	4,542.9	0.00	0.00	
10,000.0	90.30	269.91	5,404.7	-550.7	-4,642.0	4,642.9	0.00	0.00	
10,100.0	90.30	269.91	5,404.2	-550.9	-4,742.0	4,742.9	0.00	0.00	
10,200.0	90.30	269.91	5,403.6	-551.1	-4,842.0	4,842.9	0.00	0.00	
10,300.0	90.30	269.91	5,403.1	-551.2	-4,942.0	4,942.9	0.00	0.00	
10,400.0	90.30	269.91	5,402.6	-551.4	-5,042.0	5,042.9	0.00	0.00	
10,500.0	90.30	269.91	5,402.1	-551.6	-5,142.0	5,142.9	0.00	0.00	
10,600.0	90.30	269.91	5,401.5	-551.7	-5,242.0	5,242.9	0.00	0.00	
10,612.5	90.30	269.91	5,401.5	-551.7	-5,254.5	5,255.4	0.00	0.00	TD at 10612.5

Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- hit/miss target									
- Shape									
Escrito D32-2408 02H P	0.00	0.00	5,401.5	-551.7	-5,254.5	1,918,657.70	2,753,261.16	36.272909	-107.731001
- plan hits target center									
- Point									
Escrito D32-2408 02H P	0.00	0.00	5,425.8	-544.2	-613.1	1,918,670.99	2,757,902.53	36.272931	-107.715255
- plan hits target center									
- Point									

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
500.0	500.0	9 5/8"	0.000	0.000
5,974.0	5,425.8	7" ICP @ 330' SETBACK	0.000	0.000

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well Escrito D32-2408 02H
Company:	EnCana Oil & Gas (USA) Inc	TVD Reference:	WELL @ 6961.0ft (Original Well Elev)
Project:	San Juan County, NM	MD Reference:	WELL @ 6961.0ft (Original Well Elev)
Site:	S32-T24N-R8W (Escrito)	North Reference:	True
Well:	Escrito D32-2408 02H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Hz		
Design:	Plan #1		

Formations					
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,029.0	1,029.0	Ojo Alamo Ss.		-0.30	269.91
1,273.0	1,273.0	Kirtland Shale		-0.30	269.91
1,486.0	1,486.0	Fruitland Coal		-0.30	269.91
1,766.0	1,766.0	Pictured Cliffs Ss.		-0.30	269.91
1,919.0	1,919.0	Lewis Shale		-0.30	269.91
2,585.0	2,585.0	Cliffhouse Ss.		-0.30	269.91
3,291.0	3,291.0	Menefee Fn.		-0.30	269.91
4,157.0	4,157.0	Point Lookout Ss.		-0.30	269.91
4,352.0	4,352.0	Mancos Shale		-0.30	269.91
4,901.2	4,896.0	Mancos Silt		-0.30	269.91
5,235.4	5,156.0	Gallup Fn.		-0.30	269.91

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates			
		+N/-S (ft)	+E/-W (ft)	Comment	
4,683.0	4,683.0	0.0	0.0	KOP @ 4683'	
5,175.6	5,117.1	-193.1	-48.4	Start build/turn @ 5175' MD	
5,971.0	5,425.8	-544.2	-613.1	LP @ 5425' TVD; 90.3°	
10,612.5	5,401.5	-551.7	-5,254.5	TD at 10612.5	

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Encana Oil & Gas (USA) Inc. Drilling Plan

1. ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD) units = feet
Ojo Alamo Ss.	1,029
Kirtland Shale	1,273
Fruitland Coal	1,486
Pictured Cliffs Ss.	1,766
Lewis Shale	1,919
Cliffhouse Ss.	2,585
Menefee Fn.	3,291
Point Lookout Ss.	4,157
Mancos Shale	4,352
Mancos Silt	4,896
Gallup Fn.	5,156

The referenced surface elevation is 6945', KB 6961'

2. ESTIMATED DEPTH OF POTENTIAL WATER, OIL, GAS, & OTHER MINERAL BEARING FORMATIONS

Substance	Formation	Depth (TVD) units = feet
Water/Gas	Fruitland Coal	1,486
Oil/Gas	Pictured Cliffs Ss.	1,766
Oil/Gas	Cliffhouse Ss.	2,585
Gas	Menefee Fn.	3,291
Oil/Gas	Point Lookout Ss.	4,157
Oil/Gas	Mancos Shale	4,352
Oil/Gas	Mancos Silt	4,896
Oil/Gas	Gallup Fn.	5,156

All shows of fresh water and minerals will be reported and protected.

3. PRESSURE CONTROL

- a) Pressure control equipment and configuration will be designed to meet 2M standards.
- b) Working pressure on rams and BOPE will be 3,000 psi.
- c) Function test and visual inspection of the BOP will be conducted daily and noted in the IADC Daily Drilling Report.
- d) The Annular BOP will be pressure tested to a minimum of 50 percent of its rated working pressure.
- e) Blind and Pipe Rams/BOP will be tested against a test plug to 100 percent of rated working pressure.
- f) Pressure tests are required before drilling out from under all casing strings set and cemented in place.

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- g) BOP controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned.
- h) BOP testing procedures and testing frequency will conform to Onshore Order No. 2.
- i) BOP remote controls shall be located on the rig floor at a location readily accessible to the driller. Master controls shall be on the ground at the accumulator and shall have the capability to function all preventers.
- j) The kill line shall be 2-inch minimum and contain two kill line valves, one of which shall be a check valve.
- k) The choke line shall be a 2-inch minimum and contain two choke line valves (2-inch minimum).
- l) The choke and manifold shall contain two adjustable chokes.
- m) Hand wheels shall be installed on all ram preventers.
- n) Safety valves and wrenches (with subs for drill string connections) shall be available on the rig floor at all
- o) Inside BOP or float sub shall also be available on the rig floor at all times.

Proposed BOP and choke manifold arrangements are attached.

4. CASING & CEMENTING PROGRAM

The proposed casing and cementing program has been designed to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. All indications of useable water shall be reported.

- a) The proposed casing design is as follows:

Casing	Depth (MD)	Hole Size	Csg Size	Weight	Grade
Conductor	0'-60'	30"	20"	94#	
Surface	0'-500'	12 1/4"	9 5/8"	36#	J55, STC New
Intermediate	0'-5974'	8 3/4"	7"	26#	J55, LTC New
Production Liner	5774'-10613'	6 1/8"	4 1/2"	11.6#	B80*, LTC New

Casing String				Casing Strength Properties			Minimum Design Factors		
Size	Weight (ppf)	Grade	Connection	Collapse (psi)	Burst (psi)	Tensile (1000lbs)	Collapse	Burst	Tension
9 5/8"	36	J55	STC	2020	3520	394	1.125	1.1	1.5
7"	26	J55	LTC	4320	4980	367	1.125	1.1	1.5
4.5"	11.6	B80	LTC	6350	7780	201	1.125	1.1	1.5

*B80 pipe specifications are attached

Casing design is subject to revision based on geologic conditions encountered

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1,500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

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b) The proposed cementing program is as follows

Casing	Depth (MD)	Cement Volume (sacks)	Cement Type & Yield	Designed TOC	Centralizers
Conductor	0'-60'	100 sks	Type I Neat 16 ppg	Surface	None
Surface	0'-500'	314 sks	HALCEM™ SYSTEM + 2% CaCl ₂ + 0.125lbm/sk Poly-E-Flake. 15.8 ppg, 1.174 cuft/sk	Surface	1 per joint on bottom 3 joints
Intermediate	0'-5974'	30% open hole excess Stage 1 Lead: 384 sks Stage 1 Tail: 387 sks Stage 2 Lead: 191 sks	Stage 1 Lead: HALCEM™ SYSTEM + 0.2% HR-5 + 5lbm/sk Kol-Seal + 0.125lbm/sk Poly-E-Flake. 12.3 ppg, 1.948 cuft/sk Stage 1 Tail: VARICEM™ CEMENT + .15% CFR-3 + 5lbm/sk Kol-Seal + 0.125% Poly-E-Flake. 13.5 ppg, 1.308 cuft/sk. Stage 2 Contingency: HALCEM™ SYSTEM + 5lbm/sk Kol-Seal + 0.125lbm/sk Poly-E-Flake. 12.3 ppg,	Surface	1 every 3 joints through water bearing zones
Production Liner	5774'-10613'	None - External Casing Packers	N/A	N/A	N/A

*Production liner clarification: Utilizing external swell casing packer system for zonal isolation will not use cement in the production liner

Actual volumes will be calculated and determined by conditions onsite. All cement slurries will meet or exceed minimum BLM and New Mexico Oil Conservation Division requirements. Slurries used will be the slurries listed above or equivalent slurries depending on service provider selected. Cement yields may change depending on slurries selected

All waiting on cement times shall be a minimum of 8 hours or adequate to achieve minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. WELL PLAN & DIRECTIONAL DRILLING PROGRAM

The proposed horizontal well will have a kick off point of 4683'. Directional plans are attached.

Description	Proposed Depth (TVD/MD)	Formation
Horizontal Lateral TD	5401'/10613'	Gallup

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6. DRILLING FLUIDS PROGRAM

a) Surface through Intermediate Casing Point:

Hole Size (in)	Depth (TVD/MD)	Mud Type	Density (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
30"	0-60'/60'	Fresh Water	8.3-9.2	38-100	4-28
12 1/4"	0'-500'/500'	Fresh Water	8.3-10	60-70	NC
8 3/4"	500'/500'-5426'/5974'	Fresh Water LSND	8.3-10	40-50	8-10

b) Intermediate Casing Point to TD:

Hole Size (in)	Depth (TVD/MD)	Mud Type	Density (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
6 1/8"	5426'/5974'- 5401'/10613'	Fresh Water LSND	8.3-10	15-25	<15

- c) There will be sufficient mud on location to control a blowout should one occur. Mud flow and volume will be monitored both visually and with electronic pit volume totalizers. Mud tests shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.
- d) A closed-loop system will be used to recover drilling fluid and dry cuttings in both phases of the well and on all hole intervals. Above-ground tanks will be utilized to hold cuttings and fluids for rig operations. A frac tank will be on location to store fresh water. Waste will be disposed of properly at an EPA-approved hazardous waste facility. Fresh water cuttings will be disposed of at Basin Disposal, Inc. and/or Industrial Ecosystems, Inc. The location will be lined in accordance with the Surface Use Plan of Operations.

7. TESTING, CORING, & LOGGING

- a) Drill Stem Testing - None anticipated.
- b) Coring - None anticipated.
- c) Mudd Logging - Mud loggers will be on location from kick off point to TD.
- d) Logging - See below

Cased Hole:

CBL/CCL/GR/VDL will be run as needed for perforating control

8. ABNORMAL PRESSURES & HYDROGEN SULFIDE

The anticipated bottom hole pressure is +/- 2541 psi based on a 9.0 ppg at 5429' TVD of the horizontal lateral target. No abnormal pressure or temperatures are anticipated.

No hydrogen sulfide gas is anticipated, however, if H₂S is encountered, the guidelines in Onshore Order No. 6 will be followed.

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9. ANTICIPATED START DATE AND DURATION OF OPERATIONS

Drilling is estimated to commence on September 25, 2014. It is anticipated that completion operations will begin within 30 days after the well has been drilled depending on fracture treatment schedules with various pumping service companies.

It is anticipated that the drilling of this well will take approximately 20 days.

LOC: SE/4 NE/4 31 24N 8W 1880 FNL 330			Encana Natural Gas				ENG: Sydney Kuyke 6/17/14		
County: San Juan			WELL SUMMARY				RIG: Aztec 777		
WELL: Escrito D32-2408 02H							GLE: 6944.5		
							RKBE: 6960.5		
MWD	OPEN HOLE	FORM	DEPTH			HOLE SIZE	CASING SPECS	MW	DEVIATION
LWD	LOGGING		TVD	MD				MUD TYPE	INFORMATION
			60	60'		30	20" 94# 100sx Type I Neat 16.0ppg cmt	Fresh wtr 8.3-9.2	
Multi-Well pad - take survey every stand and run anti-collision report prior to spud	None	Nacimiento 9 5/8" Csg	0 500	500.00		12 1/4	9 5/8" 36ppf J55 STC TOC Surface with 100% OH Excess: 314 sks of HALCEM™ SYSTEM + 2% CaCl2 + 0.125lbm/sk Poly-E-Flake. Mixed at 15.8 ppg. Yield 1.174 cuft/sk.	Fresh wtr 8.3-10	Vertical <1°
Survey Every 60'-120', updating anticollision report after surveys. Stop operations and contact drilling engineer if separation factor approaches 1.5	No OH logs	Ojo Alamo Ss. Kirtland Shale Fruitland Coal Pictured Cliffs Ss. Lewis Shale Cliffhouse Ss. Menefee Fn. Point Lookout Ss. Mancos Shale	1,029 1,273 1,486 1,766 1,919 2,585 3,291 4,157 4,352		Stage tool @ ~ 1,969	8 3/4	7" 26ppf J55 LTC TOC @ surface (30% OH excess) Stage 1 Total: 772sks If necessary, Stage 2 Total: 191sks Stage 1 Lead: 385 sks HALCEM™ SYSTEM + 0.2% HR-5 + 5lbm/sk Kol-Seal + 0.125lbm/sk Poly-E-Flake. Mixed at 12.3 ppg. Yield 1.948 cuft/sk. Stage 1 Tail: 387 sks VARICEM™ CEMENT + .15% CFR-3 + 5lbm/sk Kol-Seal + 0.125% Poly-E-Flake. Mixed at 13.5 ppg. Yield 1.308 cuft/sk. Stage 2: 191 sks HALCEM™ SYSTEM + 5lbm/sk Kol-Seal + 0.125lbm/sk Poly-E-Flake. Mixed at 12.3 ppg. Yield 1.946 cuft/sk.	Fresh Wtr 8.3-10	Vertical <1°
Surveys every 30' through the curve	Mud logger onsite	KOP Mancos Silt Gallup Fn. 7" Csg	4,683 4,896 5,156 5,426	4,683 5,974'					
Surveys every stand to TD unless directed otherwise by Geologist	No OH Logs	Horizontal Target TD Base Gallup	5,429 5,401 5,479	10,613		6 1/8	200' overlap at liner top 4639' Drilled Lateral		Horz Inc/TVD 90.3deg/5428.5ft TD = 10612.5 MD
MWD Gamma Directional							4 1/2" 11.6ppf SB80 LTC Running external swellable csg packers for isolation of prod string	WBM 8.3-10	

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 4683', 8 3/4 inch holesize
- 5) Start curve at 10deg/100' build rate
- 6) Drill to csg point of 5974' MD
- 7) R&C 7" csg, circ cmt to surface, switch to WBM
- 8) Land at 90 deg, drill lateral to 10613' run 4 1/2 inch liner with external swellable csg packers