

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

RCVD SEP 22 '14

OIL CONS. DIV.

A. Applicant Encana Oil & Gas (Inc.)

whose address is 370 17th Street, Suite 1700, Denver CO 80202

DIST. 3

hereby requests an exception to Rule 19.15.18.12 for Thirty (30) days or until

October 19th, Yr 2014, for the following described tank battery (or LACT):

Lybrook I32-2306 01H

Name of Lease API:30-043-21129

Name of Pool Lybrook Gallup

Location of Battery: Unit Letter 1 Section 32 Township 23N Range 6W

Number of wells producing into battery 2

B. Based upon oil production of 41 barrels per day, the estimated * volume

of gas to be flared is 1049 MCF; Value \$929 per day.

C. Name and location of nearest gas gathering facility:

Enterprise

D. Distance 0 ft Estimated cost of connection no cost - already connected

E. This exception is requested for the following reasons: This well was "hit" by offset fracturing. We believe
the N2 used in the frac or the N2 used for the plug drillouts in the offset wells may have been contaminated
with O2 and it migrated to our wells during the downhole operations causing a high reading of O2 (2800 ppm).

Pipeline will not accept gas in excess of 10 ppm.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Cristi Bauer

Printed Name

& Title Cristi Bauer, Operations Technician

E-mail Address Cristi.Bauer@encana.com

Date 9/18/14 Telephone No. 720-876-5867

OIL CONSERVATION DIVISION

Approved Until 10-22-14

By Charles 9-22-14

Title SUPERVISOR DISTRICT # 3

Date SEP 22 2014

* Gas-Oil ratio test may be required to verify estimated gas volume.