

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SEP 23 2014

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.

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)
720-876-5331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
See Attached Exhibit 'A'

5. Lease Serial No.
See attached Exhibit 'A'

6. If Indian, Allottee or Tribe Name
See attached Exhibit 'A'

7. If Unit of CA/Agreement, Name and/or No.
See attached Exhibit 'A'

8. Well Name and No.
See attached Exhibit 'A'

9. API Well No.
See attached Exhibit 'A'

10. Field and Pool or Exploratory Area
See attached Exhibit 'A'

11. County or Parish, State
See attached Exhibit 'A'

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	See attached Exhibit 'A' and Exhibit 'B'
	<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 recompletion 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.)

RCVD OCT 3 '14

Encana Oil & Gas (USA) Inc. (Encana) is requesting approval for extended flaring of natural gas at six (6) consolidated flare point locations for the 28 wells listed on the attached Exhibit 'A' that involve Federal or Allottee minerals for a period of 10-12 days beginning 10/14/14 due to Enterprise's Chaco gas plant shut down for maintenance.

OIL CONS. DIV.

This gas plant processes the majority of the natural gas produced from Encana's wells in the San Juan Basin and the outage will negatively impact Encana's ability to send natural gas to market.

DIST. 3

Encana has pursued mitigation efforts including an offload to Williams' Lybrook plant. However, this offload will only allow Encana to produce at approximately 13% of their projected gross production capacity. Therefore, Encana is requesting approval for an extended flare at six (6) consolidated locations depicted on the attached Exhibit 'B'.

Encana will remit payment for the associated royalties and taxes for each well's flared gas. Please see the Explanation Legend of Exhibit 'A' for more details.

Exhibit 'A' provides further detail for estimated (theoretical) gas and oil lost due to the shutdown. Estimated value of oil and gas is calculated as follows: 1) Gross wellhead price of \$2.00/mcf, prior to transportation costs; 2) Gross wellhead price of \$80/bbl, prior to transportation costs.

SEE ATTACHED FOR
EXPLANATIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	
Holly Hill	Title Senior Regulatory Analyst
Signature <i>Holly Hill</i>	Date 09/25/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title <i>Team Lead, Petroleum Management</i>	Date <i>OCT 0 2 2014</i>
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)

NMOC



September 25, 2014

Bureau of Land Management
Farmington Field Office
6251 College Blvd Suite A
Farmington, New Mexico 87402

State of New Mexico
Energy Minerals Natural Resources
Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

**Re: Blanket Sundry – Flare Extension Request
San Juan and Sandoval Counties, NM**

To Whom It May Concern:

Encana Oil & Gas (USA) Inc. (Encana) respectfully requests expedited approval of the enclosed Blanket Sundries for an extended flare of naturally produced gas at six (6) consolidated locations for thirty-eight (38) Encana wells for a ten (10) to twelve (12) day period beginning October 14, 2014. Encana is requesting this approval due to the planned outage at Enterprise Energy Partner's (Enterprise) Chaco gas plant. The Chaco gas plant will be shut-down for maintenance during the aforementioned period of time and is the gas plant that processes a majority of the natural gas produced from Encana's wells in the San Juan Basin. The Chaco plant outage will negatively impact Encana's ability to send natural gas to market.

Encana has pursued mitigation efforts including an offload to Williams Field Services (Williams) Lybrook plant. However, this offload will only allow Encana to produce at approximately 13% of their projected gross production capacity. Therefore, Encana is requesting approval for an extended flare at six (6) consolidated locations depicted on the attached Exhibit 'B' to the Blanket Sundries described below for all of the wells listed on the attached Exhibit 'A' to the Blanket Sundries described below. Additionally, please note Encana has identified the common flare points for each group of wells listed on Exhibit 'A'.

Encana will remit payment for the associated royalties and taxes for each well's flared gas. Taxes and royalties will be calculated as follows: 1) Gas volumes for each well will be measured and recorded using the existing sales meters on each pad; 2) Royalties and taxes will be based on current wellhead pricing; 3) Royalty and tax basis will be calculated on a well-by-well basis and will remain consistent with accounting methods prior to the flaring event; 4) Royalties and taxes will be paid on shrunk gas volumes and NGL yields using the average factors from the October Enterprise statement.

Moreover, please note Exhibit 'A' provides further detail for estimated gas and oil lost due to the shutdown. Estimated value of oil and gas is calculated as follows: 1) Gross wellhead price of \$2.00/mcf, prior to transportation costs; 2) Gross wellhead price of \$80/bbl, prior to transportation costs.

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver, Colorado 80202 720.876.5331 (O) 720.521.2835 (C) holly.hill@encana.com



Enclosed please find the following items in regards to the Blanket Sundries:

- 1) Submitted to the Bureau of Land Management (BLM): BLM Form 3160-5 sundry form, submitted in triplicate, for twenty-eight (28) wells that involve Federal or Allottee minerals. Once the BLM has approved the sundry forms they will be forwarded to the New Mexico Oil Conservation Division (NMOCD) for their approval. For NMOCD approval purposes, all twenty-eight (28) wells will also include a NMOCD Form C-129
 - a. Each sundry form includes the following attachments:
 - i. A courtesy copy of this cover letter
 - ii. NMOCD Form C-129
 - iii. Exhibit 'A'
 - iv. Exhibit 'B'
- 2) Submitted to the NMOCD: NMOCD Form C-129 for ten (10) wells that involve State minerals exclusively
 - a. Each sundry form includes the following attachments:
 - i. A courtesy copy of this cover letter
 - ii. Exhibit 'A'
 - iii. Exhibit 'B'

Lastly, please note enclosed for your convenience is a larger print out of Exhibit 'B'.

Please feel free to contact me directly at 720-876-5331 with any questions or concerns.

Encana Oil & Gas (USA) Inc.

A handwritten signature in cursive script, appearing to read "Holly Hill".

Holly Hill
Senior Regulatory Analyst

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)

- A. Applicant Encana Oil & Gas (USA) Inc.,
whose address is 370 17th Street, Suite 1700,
hereby requests an exception to Rule 19.15.18.12 for 10-12 (beginning Oct. 14th) days or until
Oct. 25th, Yr 2014, for the following described tank battery (or LACT):
Name of Lease See attached Exhibit 'A' Name of Pool See attached Exhibit 'A'
Location of Battery: Unit Letter ** Section ** Township ** Range **
Number of wells producing into battery See attached Exhibit 'A'
- B. Based upon oil production of ** barrels per day, the estimated * volume
of gas to be flared is ** MCF; Value ** per day.
- C. Name and location of nearest gas gathering facility:
See attached Exhibit 'A' and Exhibit 'B'
- D. Distance N/A Estimated cost of connection N/A
- E. This exception is requested for the following reasons: Due to Enterprise's Chaco Plant
shutdown Encana requests approval to flare gas at 6 consolidated locations
depicted on the attached Exhibit 'B' for the wells listed on the attached
Exhibit 'A'. More details provided on Exhibit 'A' for reasoning.
** See attached Exhibit 'A' and Exhibit 'B' for more details

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 Holly Hill

Printed Name
& Title Holly Hill - Sr. Regulatory Analyst

E-mail Address holly.hill@encana.com

Date 09/24/14 Telephone No. 720-876-5331

OIL CONSERVATION DIVISION

Approved Until 10-25-2014

By Charles Bern

Title _____

Date _____

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd., Suite A
Farmington, New Mexico 87402
www.blm.gov/nm



In Reply Refer To:

Conditions of Approval:

- Flaring is authorized pursuant to NTL 4A Part III, A and Part IV, B (2). Flared volumes must be reported on your Oil and Gas Operations Reports (OGORs) for the flaring period.
- Flaring will be authorized until October 25, 2014, or until the Chaco Gas Plant goes back on line, whichever first occurs. If additional time is required, please contact this office accordingly.
- Please take any appropriate and necessary safety precautions at this well site during the flaring period.

Well Name	API No.	SHL	BHL	Project Area	Pool	Lease No. CA No. or Unit No.	Royalty Interest Owner(s)	County	Gathering System or Off-Lease Measurement System	Currently approved CDP Location	Estimated Shutdown Date	Estimated Gas Lost (mcf/d)	Estimated (Theoretical) Oil Lost (bopd)	Estimated Gas Lost (cum mcf, 10 days)	Estimated Oil Lost (cum bbl, 10 days)	Estimated Gross Value Lost (cum \$, 10 days)	Proposed Flare Point/Location- See Attached Exhibit 'B'
Escrito P16-2409-01H	30-045-35313	700' FSL, 333' FEL Sec 16 24N 9W	699' FSL, 330' FWL Sec 16 24N 9W	S2 Sec 16 24N 9W (320 acres)	Bisti Lower-Gallup	State CA - V07918, V8941, B-10889	State of NM	San Juan	Encana Escrito Trunk Gathering System	Enterprise Product Partners - NWNW Sec 7 24N 9W	10/14/2014	140	13	1,399	129	\$13,151	Escrito L17-2409 - NWSW Sec 17 24N 9W
Escrito I16-2409-01H	30-045-35362	2230' FSL, 300' FEL Sec 16 24N 9W	2250' FSL, 336' FEL Sec 16 24N 9W	S2 Sec 16 24N 9W (320 acres)	Bisti Lower-Gallup	State CA - V07918, V8941, B-10889	State of NM	San Juan	Encana Escrito Trunk Gathering System	Enterprise Product Partners - NWNW Sec 7 24N 9W	10/14/2014	224	58	2,242	581	\$50,941	Escrito L17-2409 - NWSW Sec 17 24N 9W
Escrito M07-2409-01H	30-045-35435	1026' FSL, 503 FWL Sec 7 24N 9W	1976' FSL, 340 FWL Sec 12 24N 10W	N2S2 Sec 12 24N 10W (160 acres)	Bisti Lower-Gallup	NM 112955	USA	San Juan	Encana Escrito Trunk Gathering System	Enterprise Product Partners - NWNW Sec 7 24N 9W	10/14/2014	197	41	1,971	410	\$36,731	Escrito L17-2409 - NWSW Sec 17 24N 9W
Escrito M07-2409-02H	30-045-35434	1017' FSL, 475' FWL Sec 7 24N 9W	385' FSL, 347 FWL Sec 12 24N 10W	S2S2 Sec 12 24N 10W (160 acres)	Bisti Lower-Gallup	NM 112955	USA	San Juan	Encana Escrito Trunk Gathering System	Enterprise Product Partners - NWNW Sec 7 24N 9W	10/14/2014	259	58	2,590	584	\$51,934	Escrito L17-2409 - NWSW Sec 17 24N 9W
Escrito E07-2409-01H	30-045-35433	1640 FNL, 262 FWL Sec 7 24N 9W	1317' FNL, 336 FWL Sec 12 24N 10W	S2N2 Sec 12 24N 10W (160 acres)	Bisti Lower-Gallup	NM 112955	USA	San Juan	Encana Escrito Trunk Gathering System	Enterprise Product Partners - NWNW Sec 7 24N 9W	10/14/2014	370	133	3,700	1,325	\$113,411	Escrito L17-2409 - NWSW Sec 17 24N 9W
Escrito L17-2409-01H	30-045-35487	1730' FSL, 310' FWL Sec 17 24N 9W	2196' FSL, 337' FWL Sec 18 24N 9W	N2S2 Sec 18 24N 9W (160 acres)	Bisti Lower-Gallup	NM 16760	USA	San Juan	Encana Escrito Trunk Gathering System	Enterprise Product Partners - NWNW Sec 7 24N 9W	10/14/2014	411	100	4,113	999	\$88,157	Escrito L17-2409 - NWSW Sec 17 24N 9W
Escrito L17-2409-02H	30-045-35488	1705' FSL, 292' FWL Sec 17 24N 9W	815' FSL, 345' FWL Sec 18 24N 9W	S2S2 Sec 18 24N 9W (160 acres)	Bisti Lower-Gallup	NM 16760	USA	San Juan	Encana Escrito Trunk Gathering System	Enterprise Product Partners - NWNW Sec 7 24N 9W	10/14/2014	357	100	3,566	1,000	\$87,133	Escrito L17-2409 - NWSW Sec 17 24N 9W
Escrito L17-2409-03H	30-045-35545	1755' FSL, 327' FWL Sec 17 T24N R9W	2202' FSL, 315' FEL Sec 17 T24N R9W	N2S2 Sec 17 24N 9W (160 acres)	Bisti Lower-Gallup	NMNM 133041	USA	San Juan	Encana Escrito Trunk Gathering System	Enterprise Product Partners - NWNW Sec 7 24N 9W	10/14/2014	1,378	300	13,780	3,000	\$267,560	Escrito L17-2409 - NWSW Sec 17 24N 9W
Escrito A31-2409-01H	30-045-35390	959' FNL, 300 FEL Sec 31 24N 9W	504' FNL, 346 FWL Sec 31 24N 9W	N2 Sec. 31 T24N R9W (320 acres)	Bisti Lower-Gallup	NMNM 130466	USA	San Juan	Encana Good Times Trunk Gathering System	Enterprise Product Partners - NWSE Sec 2 24N 10W	10/14/2014	467	129	4,669	1,291	\$112,620	Good Times P36-2410 SESE Sec 36 24N 10W
Escrito H31-2409-01H	30-045-35391	1985' FNL, 341' FEL Sec 31 24N 9W	1744' FNL, 347 FWL Sec 31 24N 9W	N2 Sec. 31 T24N R9W (320 acres)	Bisti Lower-Gallup	NMNM 130466	USA	San Juan	Encana Good Times Trunk Gathering System	Enterprise Product Partners - NWSE Sec 2 24N 10W	10/14/2014	235	69	2,354	691	\$60,011	Good Times P36-2410 SESE Sec 36 24N 10W
Good Times D06-2309-01H	30-045-35419	210' FNL, 667' FWL Sec 6 23N 9W	342' FSL, 892' FWL Sec 6 23N 9W	W2 Sec. 6 T23N R9W (322.6 Acres)	South Bisti Gallup & Basin Mancos Gas	NM 8005	USA	San Juan	Encana Good Times Trunk Gathering System	Enterprise Product Partners - NWSE Sec 2 24N 10W	10/14/2014	202	153	2,021	1,526	\$126,106	Good Times P36-2410 SESE Sec 36 24N 10W
Good Times P34-2410-01H	30-045-35367	675' FSL, 330' FEL Sec 34 24N 10W	678' FSL, 351 FWL Sec 34 24N 10W	S2 Sec. 34 T24N R10W (320 acres)	South Bisti Gallup	NMNM 128058	Navajo Allottee C/O FIMO	San Juan	Encana Good Times Trunk Gathering System	Enterprise Product Partners - NWSE Sec 2 24N 10W	10/14/2014	479	133	4,794	1,332	\$116,115	Good Times P36-2410 SESE Sec 36 24N 10W
Good Times P36-2410-01H	30-045-35476	1341' FSL, 255' FEL Sec 36 24N 10W	2180' FSL, 330' FWL Sec 36 24N 10W	S2 Sec. 36 T24N R10W 320 acres	South Bisti Gallup & Basin Mancos Gas	State CA - LG 5686 & LG 9804	State of NM	San Juan	Encana Good Times Trunk Gathering System	Enterprise Product Partners - NWSE Sec 2 24N 10W	10/14/2014	381	300	3,806	3,000	\$247,613	Good Times P36-2410 SESE Sec 36 24N 10W
Good Times P36-2410-02H	30-045-35482	1311' FSL, 255' FEL Sec 36 24N 10W	859' FSL, 338' FWL Sec 36 24N 10W	S2 Sec. 36 T24N R10W 320 acres	South Bisti Gallup & Basin Mancos Gas	State CA - LG 5686 & LG 9804	State of NM	San Juan	Encana Good Times Trunk Gathering System	Enterprise Product Partners - NWSE Sec 2 24N 10W	10/14/2014	310	296	3,100	2,963	\$243,206	Good Times P36-2410 SESE Sec 36 24N 10W
Good Times P36A-2410-01H	30-045-35449	314' FSL, 850' FEL Sec 36 24N 10W	379' FSL, 1695' FEL Sec 1 23N 10W	W2E2 Sec. 1 T23N R10W 159.79 Acres	South Bisti Gallup	NM 42059	USA	San Juan	Encana Good Times Trunk Gathering System	Enterprise Product Partners - NWSE Sec 2 24N 10W	10/14/2014	444	228	4,440	2,280	\$191,280	Good Times P36-2410 SESE Sec 36 24N 10W
Good Times P36A-2410-03H	30-045-35450	287' FSL, 862' FEL Sec 36 24N 10W	348' FSL, 416' FEL Sec 1 23N 10W	E2E2 Sec. 1 T23N R10W 159.93 Acres	South Bisti Gallup	NM 42059	USA	San Juan	Encana Good Times Trunk Gathering System	Enterprise Product Partners - NWSE Sec 2 24N 10W	10/14/2014	1,219	247	12,190	2,470	\$221,980	Good Times P36-2410 SESE Sec 36 24N 10W
Lybrook I02-2308-01H	30-045-35365	2301' FSL, 724' FEL Sec 2 23N 8W	2281' FSL, 346' FWL Sec 2 23N 8W	N2S2 Sec 2 T23N R8W (160 acres)	Basin Mancos Pool & Nageezi Gallup Pool	NMNM 131072	USA and State of NM	San Juan	Encana Jeffers Federal Gathering System	Elm Ridge Resources - NWSE Sec 3 T23N R8W	10/14/2014	389	149	3,893	1,494	\$127,329	Lybrook I02-2308 - NESE Sec 2 23N 8W
Lybrook I02-2308-02H	30-045-35492	2266 FSL, 701 FEL Sec 2 23N 8W	2249 FSL, 357 FEL Sec 1 23N 8W	S2 Sec 1 T23N R8W (320 acres)	Basin Mancos Pool	NMNM 131863	USA	San Juan	Encana Jeffers Federal Gathering System	Elm Ridge Resources - NWSE Sec 3 T23N R8W	10/14/2014	250	183	2,500	1,831	\$151,457	Lybrook I02-2308 - NESE Sec 2 23N 8W
Escrito I24-2409-01H	30-045-35322	1935' FSL, 205' FEL Sec 24 24N 9W	1857' FSL, 363' FWL Sec 24 24N 9W	S2S2 Sec 13 24N 10W (160 acres)	Bisti Lower-Gallup	SF-078860	USA	San Juan	Encana Escrito I24-2409 Gathering System	Elm Ridge Resources - NESE Sec 24 T24N R8W	10/14/2014	301	63	3,009	634	\$56,750	Escrito D30-2408 - NWNW Sec 30 24N 8W

Well Name	API No.	SHL	BHL	Project Area	Pool	Lease No. CA No. or Unit No.	Royalty Interest Owner(s)	County	Gathering System or Off-Lease Measurement System	Currently approved CDP Location	Estimated Shutdown Date	Estimated Gas Lost (mcf/d)	Estimated Oil Lost (bopd)	Estimated Gas Lost (cum mcf, 10 days)	Estimated Oil Lost (cum bbl, 10 days)	Estimated Gross Value Lost (cum \$, 10 days)	Proposed Flare Point/Location- See Attached Exhibit 'B'
Escrito D30-2408-01H	30-045-35467	444' FNL, 400' FWL Sec 30 24N 8W	701' FL, 682' FEL Sec 30 24N 8W	N2S2 Sec 13 24N 10W (160 acres)	Basin Mancos Gas	NMNM 130591	USA	San Juan	Encana Escrito I24-2409 Gathering System	Elm Ridge Resources - NESE Sec 24 T24N R8W	10/14/2014	1,648	232	16,475	2,322	\$218,721	Escrito D30-2408 - NWNW Sec 30 24N 8W
Lybrook H26-2307-01H	30-043-21118	2257' FNL, 357' FEL Sec 26 23N 7W	2247' FNL, 337' FWL Sec 26 23N 7W	N2 Sec 26 23N 7W (320 acres)	Basin Mancos Gas Pool	NM 28748	USA	Sandoval	Encana Lybrook H26-2307 Off-Lease Measurement	Enterprise Product Partners - SWNNW Sec 25 23N 7W	10/14/2014	450	80	4,500	800	\$73,000	Lybrook H26-2307 - SENE Sec 26 23N 7W
Lybrook H26-2307-02HST	30-043-21133	2227' FNL, 357' FEL Sec 26 23N 7W	1557' FNL, 349' FWL Sec 26 23N 7W	N2 Sec 26 23N 7W (320 acres)	Basin Mancos Gas Pool	NM 28748	USA	Sandoval	Encana Lybrook H26-2307 Off-Lease Measurement	Enterprise Product Partners - SWNNW Sec 25 23N 7W	10/14/2014	977	307	9,770	3,070	\$265,140	Lybrook H26-2307 - SENE Sec 26 23N 7W
Lybrook H36-2307-01H	30-043-21117	1550' FNL, 280' FEL Sec 36 T23N R7W	1550' FNL, 330' FWL Sec 36 T23N R7W	S2N2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG 3925	State of NM	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	249	31	2,488	309	\$29,661	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook A03-2206-01H	30-043-21130	827' FNL, 432' FEL Sec 3 T22N R6W	720' FNL, 351' FWL Sec 3 T22N R6W	N2N2 Sec 3 22N 6W (160 acres)	Lybrook Gallup Pool	NM 109386	USA	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	642	130	6,419	1,300	\$116,839	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook D22-2206-01H	30-043-21131	1147' FNL, 187' FEL Sec 22 T22N R6W	532' FNL, 349' FEL Sec 21 T22N R6W	N2N2 Sec 22 22N 6W (160 acres)	Wildcat	NM 109389	USA	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	14	34	138	336	\$27,190	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook H03-2206-01H	30-043-21123	2325' FNL, 138' FEL Sec 3 T22N R6W	2313' FNL, 339' FEL Sec 3 T22N R6W	S2N2 Sec 3 22N 6W (160 acres)	Lybrook Gallup Pool	NM 109386	USA	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	421	130	4,212	1,300	\$112,424	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook A32-2306-01H	30-043-21127	556' FNL, 222' FEL Sec 32 T23N R6W	636' FNL, 2274' FWL Sec 31 T23N R6W	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	NMNM 130514	USA and State of NM	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	360	103	3,600	1,034	\$89,886	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook H32-2306-01H	30-043-21126	1785' FNL, 250' FEL Sec 32 T23N R6W	1879' FNL, 2276' FEL Sec 31 T23N R6W	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	NMNM 130513	USA and State of NM	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	669	86	6,686	863	\$82,401	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook I32-2306-01H	30-043-21129	1307' FSL, 288' FEL Sec 32 T23N R6W	1920' FSL, 357' FWL Sec 32 T23N R6W	N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	V 1399	State of NM	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	1,100	90	11,000	900	\$94,000	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook I32-2306-02H	30-043-21125	1298' FSL & 358' FEL Sec 32 T23N R6W	660' FSL & 330' FWL Sec 32 T23N R6W	S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	V 1339	State of NM	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	700	115	7,000	1,150	\$106,000	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook M31-2306-02H	30-043-21146	1224' FSL & 437' FWL Sec 31 T23N R6W	1700' FSL & 330' FWL Sec 36 T23N R7W	N2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG 3925	State of NM	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	391	54	3,914	542	\$51,203	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook M31-2306-03H	30-043-21145	1190' FSL & 386' FWL Sec 31 T23N R6W	480' FSL & 330' FWL Sec 36 T23N R7W	S2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG 3925	State of NM	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	232	44	2,318	441	\$39,929	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook E29-2306-01H	30-043-21141	1276' FNL & 330' FEL Sec 29 T23N R6W	430' FNL & 330' FWL, Sec 30 T23N R6W	N2N2 Sec 30 23N 6W (160.97 acres)	Lybrook Gallup Pool	NM 117564	USA	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	303	86	3,031	859	\$74,749	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook E29-2306-03H	30-043-21142	1336' FNL & 330' FWL Sec 29 T23N R6W	1750' FNL & 330' FWL Sec 30 T23N R6W	S2N2 Sec 30 23N 6W (160 acres)	Lybrook Gallup Pool	NM 117564	USA	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	250	72	2,500	720	\$62,600	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook A01-2206-01H	30-043-21137	1126' FNL & 546' FEL Sec 1 T22N R6W	660' FNL & 330' FWL Sec 1 T22N R6W	N2N2 Sec 1 22N 6W (161.4 acres)	Lybrook Gallup Pool	NM 109385	USA	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	455	200	4,551	2,000	\$169,101	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook H01-2206-01H	30-043-21122	2323' FNL & 497' FEL Sec 1 T22N R6W	2323' FNL & 330' FWL Sec 1 T22N R6W	S2N2 Sec 1 22N 6W (160 acres)	Lybrook Gallup Pool	NM 109385	USA	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	471	155	4,712	1,548	\$133,292	Lybrook I32-2306 - NESE Sec 32 23N 6W

Well Name	API No.	SHL	BHL	Project Area	Pool	Lease No. CA No. or Unit No.	Royalty Interest Owner(s)	County	Gathering System or Off- Lease Measurement System	Currently approved CDP Location	Estimated Shutdown Date	Estimated Gas Lost (mcf/d)	Estimated Oil Lost (bopd)	Estimated Gas Lost (cum mcf, 10 days)	Estimated Oil Lost (cum bbl, 10 days)	Estimated Gross Value Lost (cum \$, 10 days)	Proposed Flare Point/Location- See Attached Exhibit 'B'
Lybrook P24-2206-01H	30-043-21124	1059' FSL & 449' FEL Sec 24 T22N R6W	800' FSL & 330' FWL Sec 24 T22N R6W	S2S2 Sec 24 22N 6W (160 acres)	Wildcat	NM 109390	USA	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	76	126	759	1,257	\$102,110	Lybrook I32-2306 - NESE Sec 32 23N 6W
Lybrook H36A-2307-01H	30-043-21183	1598' FNL & 436' FEL Sec 36 T23N R7W	400' FNL & 330' FEL Sec 36 T23N R7W	N2N2 Sec 36 T23N R7W (160 acres)	Lybrook Gallup Pool	LG 3925	State of NM	Sandoval	Encana Lybrook Trunk Gathering System	Enterprise Product Partners - SWNW Sec 36 23N 7W and William's Field Services - E2SE Sec 34 23N 6W	10/14/2014	205	300	2,054	3,000	\$244,107	Lybrook I32-2306 - NESE Sec 32 23N 6W
EXPLANATION LEGEND											TOTALS	17,627	5,129	176,266	51,291	\$4,455,842	

It has come to Encana's attention that Enterprise Chaco gas plant will be shut down for maintenance for ten (10) to twelve (12) days beginning October 14th, 2014. This gas plant processes the majority of the natural gas produced from Encana's wells in the San Juan Basin. The Chaco plant outage will negatively impact Encana's ability to send natural gas to market. Affected wells are listed on Exhibit 'A'.

Encana has pursued mitigation efforts including an offload to Williams' Lybrook plant. However, this offload will only allow Encana to produce at approximately 13% of their projected gross production capacity. Therefore, Encana is requesting approval for an extended flare at six (6) consolidated locations depicted on the attached Exhibit 'B' for all of the wells listed on the attached Exhibit 'A'. Encana has identified the common flare points for each group of wells listed on Exhibit 'A'.

Encana will remit payment for the associated royalties and taxes for each well's flared gas. Taxes and royalties will be calculated as follows: 1) Gas volumes for each well will be measured and recorded using the existing sales meters on each pad; 2) Royalties and taxes will be based on current wellhead pricing; 3) Royalty and tax basis will be calculated on a well-by-well basis and will remain consistent with accounting methods prior to the flaring event; 4) Royalties and taxes will be paid on shrunk gas volumes and NGL yields using the average factors from the October Enterprise statement.

This Exhibit 'A' provides further detail for estimated gas and oil lost due to the shutdown. Estimated value of oil and gas is calculated as follows: 1) Gross wellhead price of \$2.00/mcf, prior to transportation costs; 2) Gross wellhead price of \$80/bbl, prior to transportation costs.

ENCANA SERVICES COMPANY LTD. MAP OF PROPOSED FLARING LOCATIONS 9-23-14

NOTE: ALL VOLUMES ARE APPROXIMATE.
VOLUMES ARE BASED ON SEPTEMBER 2014 PRODUCTION.

encana.



ESCRITO TRUNK
8 WELLS
FLARE LOCATION: ESCRITO 17-2409
GAS: APPROX. 3336 MCFD
OIL: APPROX. 803 BOPD

ECA 32 CDP
2 WELLS
FLARE LOCATION: ESCRITO D30-2408
GAS: APPROX. 1948 MCFD
OIL: APPROX. 296 BOPD

OLYMPIC TORCH
8 WELLS
FLARE LOCATION: GOOD TIMES R36-2410
GAS: APPROX. 3738 MCFD
OIL: APPROX. 1555 BOPD

LYBROOK 102 CDP
2 WELLS
FLARE LOCATION: LYBROOK 102-2308
GAS: APPROX. 639 MCFD
OIL: APPROX. 333 BOPD

LYBROOK H26 CDP
2 WELLS
FLARE LOCATION: LYBROOK H26-2307
GAS: APPROX. 1427 MCFD
OIL: APPROX. 387 BOPD

LYBROOK TRUNK
16 WELLS
FLARE LOCATION: LYBROOK 132-2306
GAS: APPROX. 6538 MCFD
OIL: APPROX. 1756 BOPD

Legend

- | | |
|--|---|
| <ul style="list-style-type: none">Electric Transmission LinesReservation OutlinesCrow Mesa SDA BoundaryEncana LeasesEncana Pipelines<ul style="list-style-type: none">ActivePlannedEncana Operated Wells<ul style="list-style-type: none">GASLOCOILLandmarks<ul style="list-style-type: none">GasplantPlaceState Mile MarkerUS Mile Marker | <ul style="list-style-type: none">Encana Well Pads<ul style="list-style-type: none">PlannedActiveEncana Roads<ul style="list-style-type: none">ActivePlanned |
|--|---|