

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.**

5. Lease Serial No.
NM 5100 & NM 4958

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

OIL CONS. DIV DIST. 3

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well

☐ Gas Well

☐ Other

SEP 16 2013

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)
720-876-3533

7. If Unit of CA/Agreement, Name and Loc No.
N/A

8. Well Name and No.
Escrito A31-2409 01H

9. API Well No.
30-045-35390

10. Field and Pool or Exploratory Area
Bisti Lower-Gallup

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 959' FNL and 300' FEL Section 31, T24N, R9W
BHL: 500' FNL and 330' FWL Section 31, T24N, R9W

11. County or Parish, State
San Juan, NM

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 <u>Modify COA on</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Gas Lift approval</u> |
| | <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. is requesting that the first Condition of Approval for the gas lift installation sundry submitted for the Escrito A31-2409 well pad on June 6, 2013 be modified to allow for one check valve upstream of the buy-back (or gas return) meter and one check valve downstream of the buy-back (or gas return) meter. Updated schematics of the pad with gas lift and the gas allocation method are attached.

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

Katie Wegner

Title Regulatory Analyst

Signature

Date 09/13/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

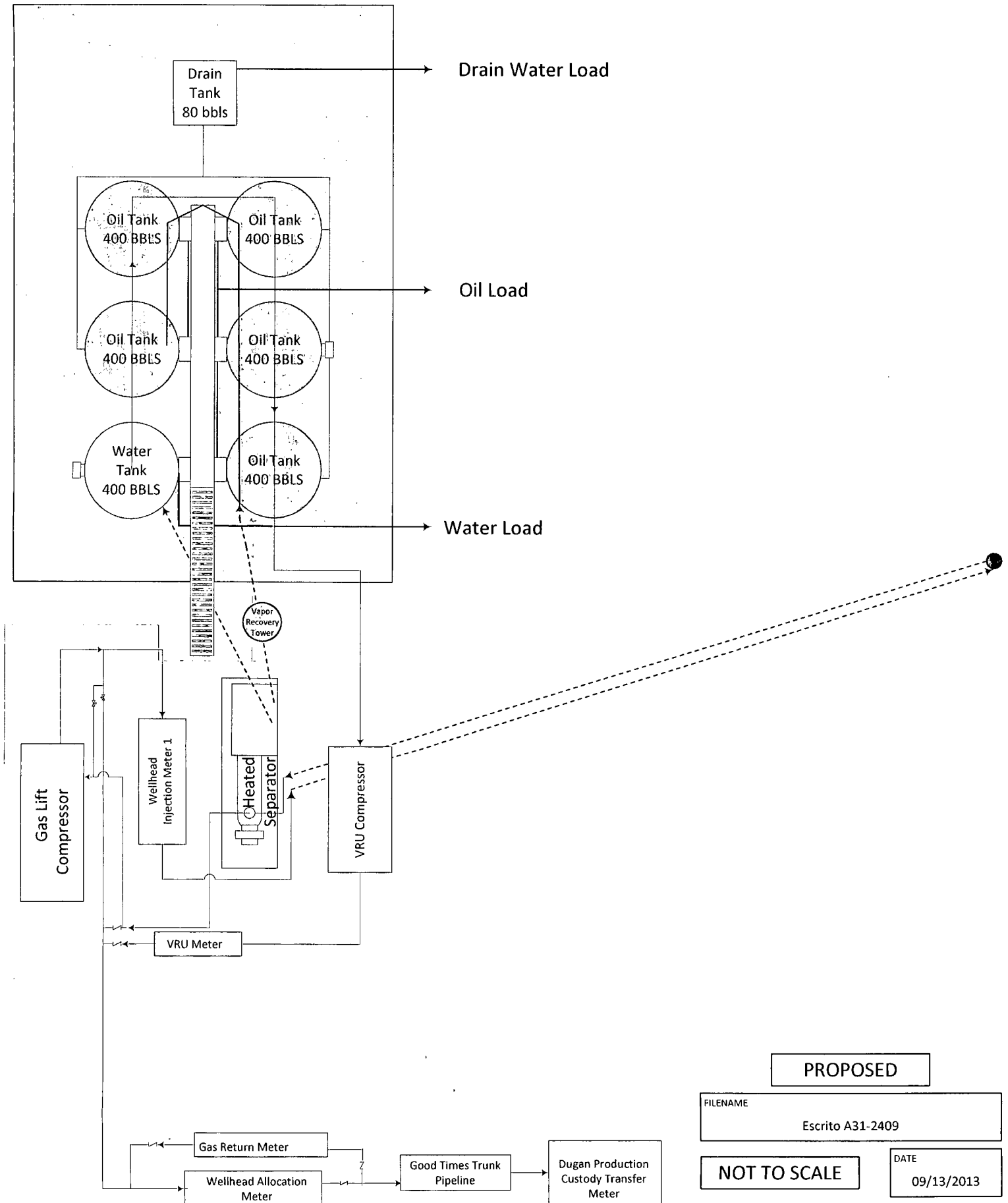
Office

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)

NMOCDC

4



PROPOSED

FILENAME

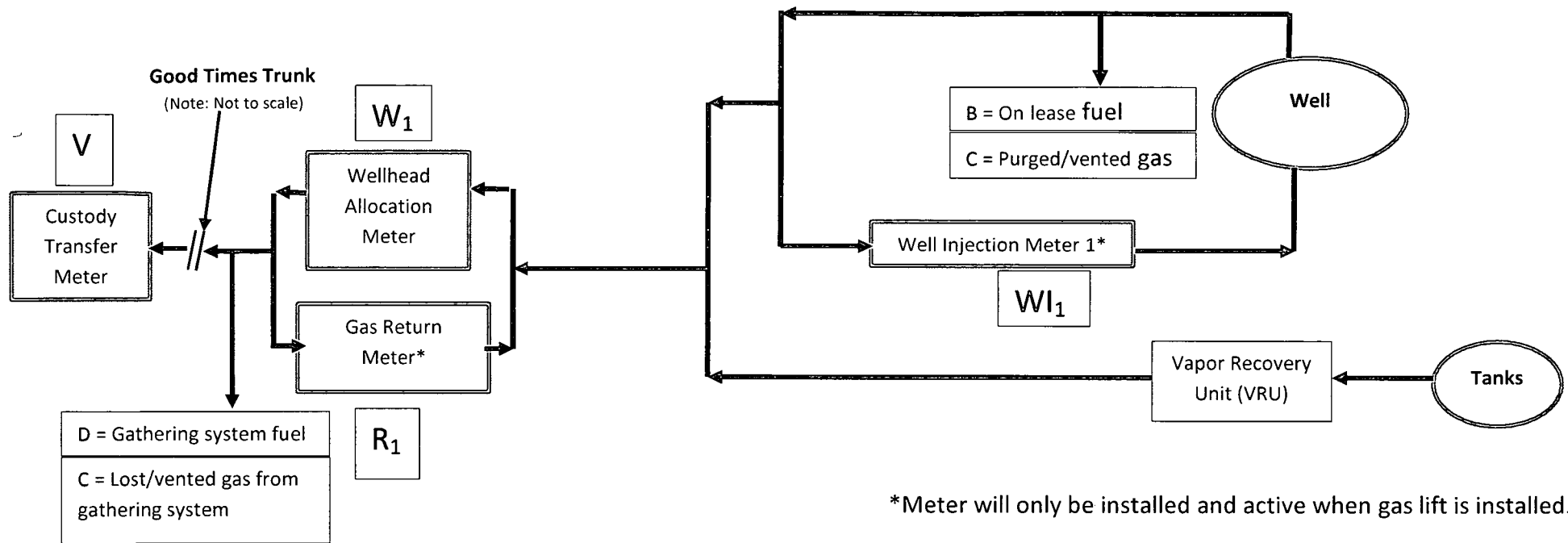
Escrito A31-2409

NOT TO SCALE

DATE

09/13/2013

Gas Measurement Allocation Procedure for Escrito A31-2409



Base Data:

V = Gas Volume (MCF) from Custody Transfer Meter during allocation period (Dugan)

R = Gas Volume (MCF) from Gas Return Meter (Encana)*

W_1 = Gas Volume (MCF) from Wellhead Allocation Meter at individual wells during allocation period. (Encana)

WI_1 = Gas Volume (MCF) from Well Injection Meter at individual wells during allocation period. (Encana)*

Y = Heating Value (BTU/scf) from Custody Transfer Meter during allocation period. (Dugan)

Z = Heating Value (BTU/scf) from individual Wellhead Allocation Meter and Well Injection Meter. (Encana)

Allocation Period is typically a calendar month and will be the same for all individual wells.

Individual Well Gas Production = A + B + C + D + E

A = Allocated Gas production off lease, MCF: $[(W_1-R_1)/((W_1-R_1)+(W_2-R_2)+(W_n-R_n))]*(V)$

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions. This includes, but is not limited to, compression, vapor recovery unit (VRU) compression, burners, and pump jacks.

C = Lost and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $[(W_1-R_1)/((W_1-R_1)+(W_2-R_2)+(W_n-R_n))]$.

E = Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the individual wells affected using factors determined $[(W_1-R_1)/((W_1-R_1)+(W_2-R_2)+(W_n-R_n))]$.

Individual Well BTU's = $[(((W_1-R_1)*Z)/((W_1-R_1)+(W_2-R_2)+(W_n-R_n)))*Z]*Y$

Individual well gas heating values to be determined in accordance with BLM regulations.