

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM 112953 |
| 2. Name of Operator Encana Oil & Gas (USA) Inc. | | 6. If Indian, Allottee or Tribe Name N/A |
| 3a. Address 370 17th Street, Suite 1700 Denver, CO 80202 | 3b. Phone No. (include area code) 720-876-5867 | 7. If Unit of CA/Agreement, Name and/or No. N/A |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 320' FSL and 1289' FWL Sec 28, T23N, R6W BHL: 347' FSL and 1214' FWL Sec 33, T23N, R6W | | 8. Well Name and No. Lybrook M28-2306 02H |
| | | 9. API Well No. 30-043-21175 |
| | | 10. Field and Pool or Exploratory Area Lybrook Gallup |
| | | 11. Country or Parish, State Sandoval, New Mexico |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input 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 checked="" 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 _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Flare Extension _____ |
| | <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 recomplete 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.)

Encana Oil and Gas (USA) Inc. (Encana) completed the Lybrook M28-2306 02H on 9/16/14 and received flare extension approval on 10/10/14. 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.

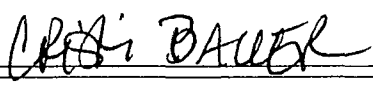
The well's early production is being impacted by high backpressure on the gas gathering line. The wells should optimally be produced with minimum backpressure during early life to ensure proper load water recovery.

Encana estimates an average of approximately 1.3 MMCF/d will be flared. The gas analysis is attached.

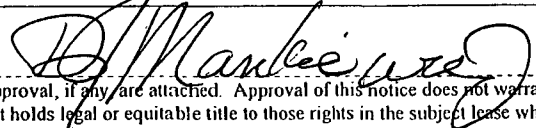
OIL CONS. DIV DIST. 3

NOV 17 2014

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

| | | |
|--|--|--------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Cristi Bauer | | Title Operations Technician |
| Signature  | | Date 11/13/14 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------|------------------|
| Approved by  | Title AFM | Date 11/17/14 |
| 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 FEO | |

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



2030 Afton Place
Farmington, NM 87401
(505) 325-6622

Analysis No: EC140415
Cust No: 25150-11310

Well/Lease Information

Customer Name: ENCANA OIL & GAS
Well Name: LYBROOK M28-2306-02H
County/State:
Location: M28-23N-06W
Field: O2 PROJECT
Formation:
Cust. Stn. No.: 14180066
CC# 76105

OIL CONS. DIV DIST. 3

NOV 17 2014

Source:
Pressure: 110 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 11/13/2014
Sampled By: SEAN CASUAS
Foreman/Engr.:

Remarks:

Analysis

| Component:: | Mole%: | **GPM: | *BTU: | *SP Gravity: |
|-------------|---------|---------|---------|--------------|
| Nitrogen | 9.701 | 1.0710 | 0.00 | 0.0938 |
| CO2 | 0.285 | 0.0490 | 0.00 | 0.0043 |
| Methane | 66.034 | 11.2330 | 666.95 | 0.3658 |
| Ethane | 12.765 | 3.4260 | 225.90 | 0.1325 |
| Propane | 7.212 | 1.9940 | 181.46 | 0.1098 |
| Iso-Butane | 0.831 | 0.2730 | 27.02 | 0.0167 |
| N-Butane | 1.948 | 0.6160 | 63.55 | 0.0391 |
| I-Pentane | 0.416 | 0.1530 | 16.64 | 0.0104 |
| N-Pentane | 0.370 | 0.1350 | 14.83 | 0.0092 |
| Hexane Plus | 0.438 | 0.1960 | 23.09 | 0.0145 |
| Total | 100.000 | 19.1460 | 1219.44 | 0.7961 |

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0037

BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 1226.8

BTU/CU.FT (WET) CORRECTED FOR (1/Z): 1205.5

REAL SPECIFIC GRAVITY: 0.7987

GPM, BTU, and SPG calculations as shown
above are based on current GPA factors.

DRY BTU @ 14.650: 1220.1

DRY BTU @ 14.696: 1224.0

DRY BTU @ 14.730: 1226.8

DRY BTU @ 15.025: 1251.4

CYLINDER #: 6139

CYLINDER PRESSURE: 109 PSIG

DATE RUN: 11/13/14 7:02 AM

ANALYSIS RUN BY: PATRICIA KING



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:

Lybrook M28-2306 02H

Section 28-23N-6W

Lease No. NMNM112953

- Flaring is authorized pursuant to NTL 4A Part III A and IV B. As such, no royalty obligation will be incurred during the clean-up period. The vented volumes must be reported on your Oil and Gas Operations Reports (OGORs) during the venting period.
- Flaring will be authorized until December 17, 2014. If additional time is required, please contact this office accordingly.
- Please take appropriate and necessary safety precautions at this well site during the venting period.