

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

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

☒ Oil Well ☐ Gas Well ☐ Other

DEC 15 2014

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)
720-876-5867

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

5. Lease Serial No.
NMNM 112953

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

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

8. Well Name and No.
Lybrook M28-2306 02H

9. API Well No.
90-043-21175

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 recomplate 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 recomplate 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 11/17/14. 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 0.819 MMCF/d will be flared. The gas analysis is attached.

OIL CONS. DIV DIST. 3

DEC 18 2014

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Cristi Bauer

Title Operations Technician

Signature

Cristi Bauer

Date

12/12/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

AFM

Date

12/16/14

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

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.

(Instructions on page 2)

NMCCD
KC



OIL CONS. DIV DIST. 3

DEC 18, 2014

2030 Afton Place
Farmington, NM 87401
(505) 325-6622Analysis No: EC140462
Cust No: 25150-11310

Well/Lease InformationCustomer 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# 76105Source: METER RUN
Pressure: 58 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 12/08/2014
Sampled By: SEAN CASUAS
Foreman/Engr.:

Remarks:

Analysis

Component::	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	7.969	0.8800	0.00	0.0771
CO2	0.295	0.0510	0.00	0.0045
Methane	66.730	11.3540	673.97	0.3696
Ethane	13.031	3.4980	230.61	0.1353
Propane	7.483	2.0690	188.28	0.1139
Iso-Butane	0.896	0.2940	29.14	0.0180
N-Butane	2.160	0.6830	70.47	0.0433
I-Pentane	0.483	0.1770	19.32	0.0120
N-Pentane	0.437	0.1590	17.52	0.0109
Hexane Plus	0.516	0.2310	27.20	0.0171
Total	100.000	19.3960	1256.51	0.8017

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0039
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 1264.3
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 1242.3
REAL SPECIFIC GRAVITY: 0.8045GPM, BTU, and SPG calculations as shown
above are based on current GPA factors.DRY BTU @ 14.650: 1257.4
DRY BTU @ 14.696: 1261.4
DRY BTU @ 14.730: 1264.3
DRY BTU @ 15.025: 1289.6CYLINDER #: 72
CYLINDER PRESSURE: 6231 PSIG
DATE RUN: 12/9/14 10:20 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 January 16, 2015. 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.