

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.

License Serial No.
NM 16589

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

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)
720-876-5867

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

8. Well Name and No.
Escrito L14-2408 04H

9. API Well No.
30-045-35534

4. Location of Well (Footage, Sec., T. R. M., or Survey Description)
SHL: 1423' FSL and 23' FWL Sec 14, T24N, R8W
DHL: 1769' FSL and 352' FWL Sec 15, T24N, R8W

10. Field and Pool or Exploratory Area
Duffer's Point Gallup Dakota

11. Country 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 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 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 and Gas (USA) Inc. (Encana) completed the Escrito L14-2408 04H on 11/16/14. 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. This extension is requested because N2 content is still notably high. We do not meet pipeline specs for N2 content and need to flare the gas until N2 levels are at sustainable levels for the pipeline.

Encana estimates an average of approximately 0.515 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

12/9/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

AFM

Date

12/15/14

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)

NMOOD *xc*



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

Analysis No: EC140453
Cust No: 25150-11400

Well/Lease Information

Customer Name: ENCANA OIL & GAS
Well Name: ESCRITO L14-2408 #04H
County/State: SAN JUAN NM
Location: L14-24N-08W
Field: O2 PROJECT
Formation:
Cust. Stn. No.: 14181429
76608

Source: FLOWBACK SEP.
Pressure: 8 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 12/08/2014
Sampled By: SEAN CASAUS
Foreman/Engr.: TONY FERRARI

Remarks: H2S = 0 PPM
SAMPLED AT METER RUN

Analysis

| Component:: | Mole%: | **GPM: | *BTU: | *SP Gravity: |
|-------------|---------|---------|--------|--------------|
| Nitrogen | 31.784 | 3.5050 | 0.00 | 0.3074 |
| CO2 | 0.375 | 0.0640 | 0.00 | 0.0057 |
| Methane | 48.386 | 8.2220 | 488.70 | 0.2680 |
| Ethane | 9.905 | 2.6550 | 175.29 | 0.1028 |
| Propane | 6.442 | 1.7790 | 162.09 | 0.0981 |
| Iso-Butane | 0.649 | 0.2130 | 21.10 | 0.0130 |
| N-Butane | 1.589 | 0.5020 | 51.84 | 0.0319 |
| I-Pentane | 0.288 | 0.1060 | 11.52 | 0.0072 |
| N-Pentane | 0.263 | 0.0960 | 10.54 | 0.0066 |
| Hexane Plus | 0.319 | 0.1430 | 16.81 | 0.0106 |
| Total | 100.000 | 17.2850 | 937.90 | 0.8512 |

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0026
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 942.5
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 926.1
REAL SPECIFIC GRAVITY: 0.8531

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

DRY BTU @ 14.650: 937.4
DRY BTU @ 14.696: 940.3
DRY BTU @ 14.730: 942.5
DRY BTU @ 15.025: 961.4

CYLINDER #: 6139
CYLINDER PRESSURE: 90 PSIG
DATE RUN: 12/8/14 12:00 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:

Escrito L14-2408 04H

Section 14-24N-8W

Lease No. NMNM 16589

- 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 15, 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.