Form 3160-5 (March 2012)

Subsequent Report

Final Abandonment Notice

DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

| DEC | 24 | 2114 |
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| OMB No. | 1004-0137 |
| Expires: Oc | tober 31, 20 |

Install Cathodic

protection

5. Lease Serial No. NM:6681 NM LG-9090

| Do not use this t | form for proposals : | ORTS ON WELLS. A Card of the state of the st | 6-31ftindian € Allottee or Tribe Name N/A |
|--|------------------------------|--|--|
| SUBMI | T IN TRIPLICATE - Other | r instructions on page 2. | 7. If Unit of CA/Agreement, Name and/or No. |
| 1. Type of Well | | | N/A |
| ☑ Oil Well ☐ Gas V | Vell Other | | 8. Well Name and No. Lybrook J31-2307 02H |
| 2. Name of Operator Encana Oil & Gas (USA) Inc. | | | 9. API Well No. 30-043-21215 |
| 3a. Address | | 3b. Phone No. (include area code) | 10. Field and Pool or Exploratory Area |
| 370 17th Street, Suite 1700 Denver, CO 80202 | 2 | 505-599-2411 | Alamito-GALLUP |
| 4. Location of Well (Footage, Sec., T., SHL: 2192' FSL and 2551' FEL Section 31, T23 | R. M., or Survey Description | n) | 11. County or Parish, State |
| BHL: 1177' FSL and 2291' FEL Section 36, T23 | | | Sandoval County , NM |
| 12. CHEC | CK THE APPROPRIATE BO | OX(ES) TO INDICATE NATURE OF NO | TICE, REPORT OR OTHER DATA |
| TYPE OF SUBMISSION | | TYPE OF A | CTION |
| ▼ Notice of Intent | Acidize | Deepen P | roduction (Start/Resume) Water Shut-Off |
| T. House of Fraction | Alter Casing | Fracture Treat R | eclamation |

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.)

New Construction

Plug and Abandon

Plug Back

Encana Oil & Gas (USA) Inc. Encana ie requesting to install cathodic protection on the Lybrook J31-2307 02H to be attached to the Chaco Trunk pipeline on location at the meter run, layout drilling procedure and plug and abandon procedure is attached.

OIL CONS. DIV DIST. 3

Casing Repair

Convert to Injection

Change Plans

DEC 31 2014

ACCEPTED FOR RECORD

Temporarily Abandon

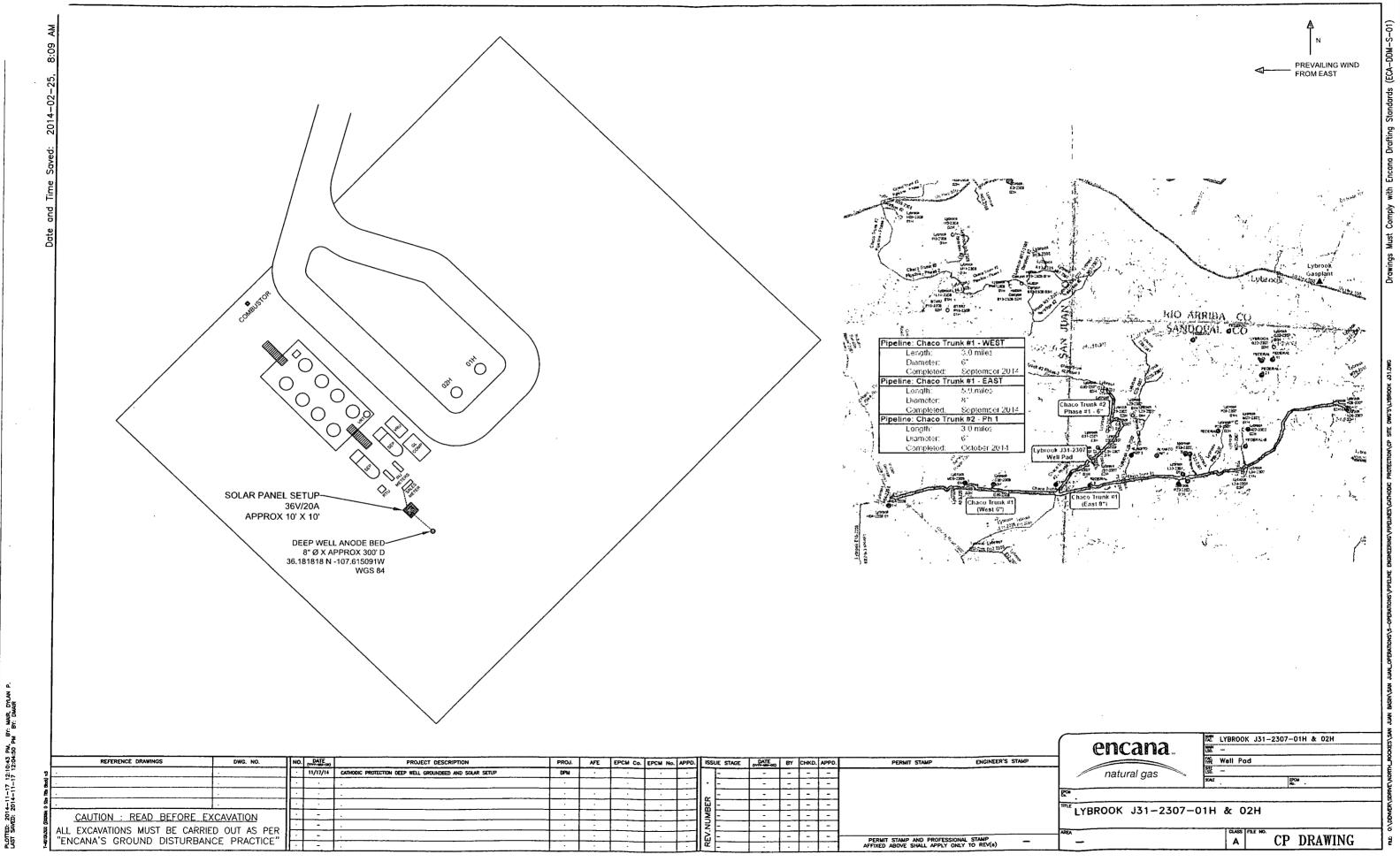
Water Disposal

r-7 29 2014 FARMINGTON FIELD OFFICE

| 14. Thereby certify that the foregoing is true and correct. Name (Printed Typed) | | |
|---|------------------------------------|--------------|
| Norman Faver | Title Senior Regulatory Analyst | |
| Signature Farmen tu | Date 12/23/2014 | |
| THIS SPACE FOR FED | ERAL OR STATE OFFICE USE | |
| Approved by flamb | Title ENVIRONMENTAL | DEC 3 1 2014 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant of that the applicant holds legal or equitable title to those rights in the subject lease which entitle the applicant to conduct operations thereon. | r certify Object PLIANCE TEAM LEAD | |

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)



CORRPRO - DEEP ANODE BED PROCEDURE

Permits: Corrpro will assist the Company in applications for well drilling permits required by any City, County and/or State agencies.

Field Location: Location of the deep anodes are approximate. Exact placement shall be determined and verified in the field by the Corrpro foreman and the Company representative.

Anode Hole Drilling: The anode hole shall be 7 7/8-inches diameter to the depth shown on the Drawings (top 20-feet shall be drilled to accommodate 8" casing). Drilling shall be ac complished with rotary bit. Driller shall use standard techniques (i.e. trough and v acuum truck) to capture and contain the drilling fluids, mud and cuttings at the top of the hole. The driller shall select the type and consistency of drilling fluids to be consistent with soil characteristics. The drilling rig shall be leveled to provide a round, straight and plumb anode hole.

Casing: Install a 8" diameter casing to a depth of 20-feet.

Anode Hole Geological Logs: As the hole is drilled, the driller shall maintain a record describing the depth and type of the geological formations encountered. Copies of the log shall be submitted.

Anode Hole Resistance Log: Record electric log of the hole using one of the anodes. The anode lead wire shall be manually lowered into hole, with a counter reel, while taking measurements every 5 feet. The anode lead wire shall be marked for a distance equaling or exceeding the maximum anticipated depth of the hole. As the anode is lowered into the hole, measure the resistance by temporarily impressing a minimum of 12-volts DC between the anode and a very well grounded structure. A volt meter shall be used to perform this test. A recommended 12-volt DC power source is a he avy-duty, lead acid, automobile battery. Lower the anode into the hole and at ten-foot increments, hold in place while the voltage and current output of the DC current source are measured and recorded. This information shall be recorded and submitted.

Vent Pipe Installation: The vent pipe (1-inch Allvent to the top of the coke breeze column) shall be installed in the hole with the first anode. One-inch PVC non-perforated pipe will be installed from the top of the coke breeze column to five feet above the top of the hole. The bottom of the vent pipe shall be capped. The top of the vent pipe shall be capped throughout the anode and coke breeze backfill installation procedure to prevent intrusion of foreign material. Drilling mud shall not be allowed to enter in the vent pipe.

Anode Installation: The deep anode shall consist of 10 – 2.2" x 84" long high silicon cast iron anodes spaced at 10-foot intervals. The anodes shall be centered in the hole. The anodes shall be installed by lowering them individually into the hole by the lead wire. The final depth shall be recorded with the first anode in the hole (i.e. the bottom anode) identified as anode number one. The anode lead wires shall not be damaged during handling or lowering into the hole. Under no circumstances shall the anode lead wires be c lamped or pinched around another object while lowering. If the insulation for any anode lead wires are cut, broken, or nicked, the complete anode shall be rejected and shall be

removed from the job site. Corrpro shall replace all damaged anodes at no additional expense to Company.

Anode Column Coke Backfill: The coke backfill shall be top loaded. A sufficient amount of backfill shall be used such that the coke breeze column will extend a minimum of 10-feet above the top of the uppermost anode and no closer than 30-feet from the top of the hole. Installation of the coke backfill shall be uniform with no voids around the anodes.

Vent Pipe Conditions: The 1-inch diameter internal vent pipe shall terminate with a glued slip-fit fitting then secured with a threaded vented plug. The top end of the vent pipe shall be left open to allow gases from the anode hole to exit.

Mud and Cuttings: Drilling mud, cuttings and other waste shall be disposed of onsite in a manner which complies with the rules and regulations of the State, City and County.

ANODE LEAD JUNCTION BOX

Location: Install anode lead junction box immediately adjacent to the deep anode. Place to allow ready access for testing with the bottom of the box at a minimum height of 3-feet above grade.

Concrete Pad: Junction box support (post or unistrut) shall be set in a Portland cement concrete anchor. Pour a minimum 4 inch thick by roughly 3-foot square concrete pad around the junction box.

HEADER CABLE

Dig a 4-inch wide x 18-inch deep trench from the junction box to the power unit pole. Install the DC positive cable in the bottom of the trench. Leave slack in the cable and avoid damage to the cable during installation.

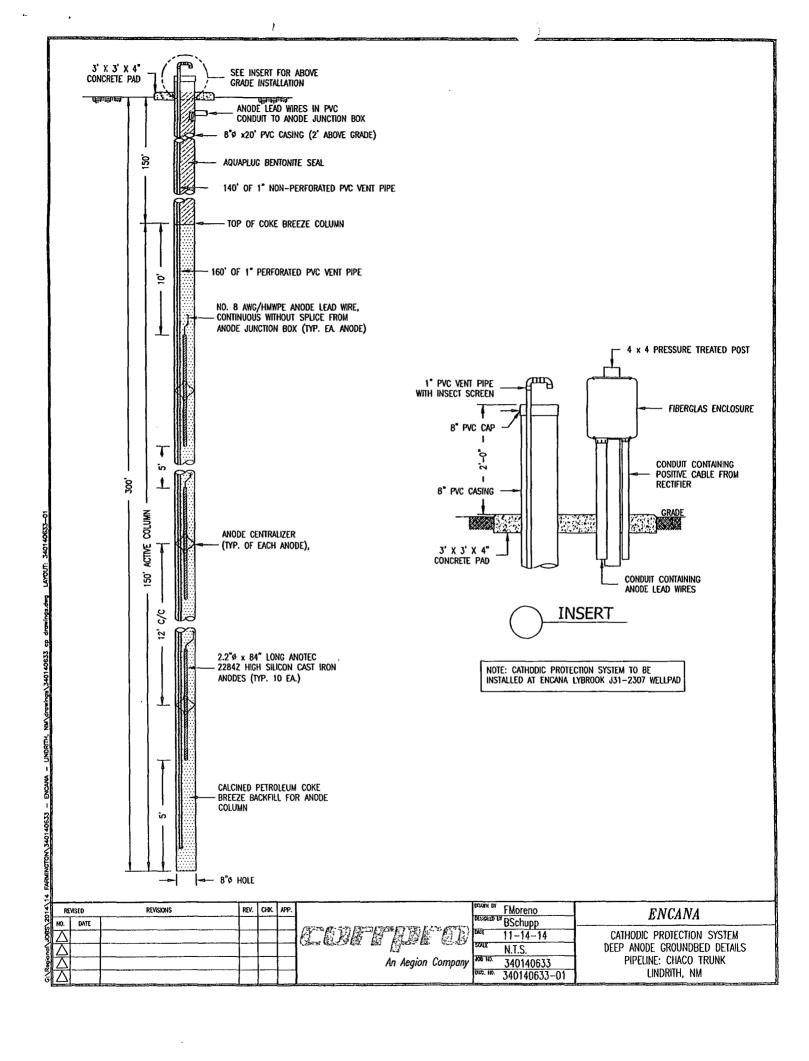
NEGATIVE CABLE AND TEST LEAD

Dig a 4-inch wide x 18-inch deep trench from the power unit to the structure. Install the DC negative cable in the bottom of the trench. Leave slack in the cable and avoid damage to the cable during installation, and attach to structure.

Method: Attach negative DC cables to the structure by a mechanical clamp at the location shown on the Drawings.

Preparation: Clean and dry the structure surface to which the negative cable is to be attached. Technician will remove all dirt, coating, oxide and mill scale from the structure surface. Use a solvent to remove oil and grease, if necessary. Clean the surface to bright metal.

NOTE: All cable connections will not be performed without the assistance of a certified/licensed low-voltage technician.



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Corrpro Specific Safety Plan

New-hire training and SSE identification policy: New hires receive orientation and safety training as required for their job. SSE's are put under the direct supervision of experienced employees and under the more stringent SSE program whether that is Corrpro or Encana.

Corrpro's policy/procedure for stopping unsafe acts: Through Corrpro and Encana Stop Work Authority Program, all employees are given the authority to suspend individual tasks or group operations when the control of health, safety and/or environmental risk is not clearly established or understood.

| Developed for: Corrpro Farmington | Date: 12/15/2014 | | |
|-----------------------------------|------------------|-----------|--|
| Location: J31-2307 Well Pad | City: Lybrook | State: NM | |

Job ID: 340140731

Job Description: Installation of Deep anode Groundbed for Cathodic Protection including the installation of the Rectifier/Solar Unit. Cable will be installed to Rectifier to Groundbed (Positive cable) and to Rectifier from pipe (Negative cable). Inspection and Commissioning will occur after installation of ground bed

| Project Manager: Bryan Schupp | Phone: 505-325-1946 | Cell: 505-635-7744 |
|--|--|----------------------|
| Safety Manager: Greg Sawka | Phone: 562-944-1636 | Cell: 562-505-7404 |
| Other: Donavon Wright (Construction Sup.) | Phone: 505-325-1946 | Cell: 801-834-5118 |
| Injury an | d Illness Management | |
| (Here is what you will do i | n the event of an injury / illness on th | is job) |
| First Aid/Minor Treatment Facility: On site by first | aid trained personnel | Phone: n/a |
| | | Phone: 800-633-4350 |
| Contact: Nearest hospital can be located via GPS and | The Health Bridge. | Filone: 800-033-4330 |

Print Date: 12/17/2014 Page 1 of 15 Latest Revision Date: 05/09/2012

CORRPRO - PLUG AND ABANDON - DEEP ANODE GROUND BED

Permits: Corrpro will assist the Company in applications for permits required by any City, County and/or State agencies.

Anode Hole/Surface Casing: At the surface of the anode bed the surface casing shall be excavated or hydro-excavated at a depth of 3' below grade. All conduits and wires shall be terminated and removed. The surface casing and vent pipe will be cut down flush at 2' below grade. Anode leads, after terminated, will be left in the anode bore. If the anode bore is open, a bentonite and water mixture will be poured in to backfill. A cement mixture of Portland cement shall be poured as backfill around the anode bed bore to approximately 6" above remaining surface casing. The excavation shall then be backfilled to grade with native soil.

ANODE LEAD JUNCTION BOX

Removal: The anode lead junction box immediately adjacent to the deep anode bed will be removed along with all remaining conduits and wiring. The 4x4 post will be removed along with the concrete pad and backfilled to grade with native soil.

NEGATIVE/POSITIVE CABLES

Termination of negative/positive leads will be left to the discretion of the owner.

0/101/000/1005/2013/14 FARMED 101 10. - FASULPHION, BUT (PROOF LED FILE)\\\$10140539-01.349 TAYDUIT PESSE (N) (N) (N) BACKFILLED TO GRADE LEVEL WITH NATIVE SOIL -65' BENIONITE/WATER BACKFILL (5 CALLONS OF WATER TO EVERY --5 BAGS OF BENIONITE) -215' (CEMENT BACKFILLED BOTTOM LOADED THRU DRILL STEM) 9 TERMINATED ANODE LEADS TERMINATED S"
(SCH 40) CASING 18° TO 24" - CATHODIC WELL ----