

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

David R. Catanach Division Director  
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 2-5-15

Well information;

Operator Encana, Well Name and Number Lybrook m26 2306 #1H

API# 30043-21250, Section 26 Township 23 N/S, Range 6 E/W

Conditions of Approval:

(See the below checked and handwritten conditions)

- ☒ Notify Aztec OCD 24hrs prior to casing & cement.
- ☒ Hold C-104 for directional survey & "As Drilled" Plat
- ☒ Hold C-104 for NSL, NSP, DHC
- ☐ Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- ☐ Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
  - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
  - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
  - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- ☐ Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ☒ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- ☒ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ☒ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Charles R...  
NMOCD Approved by Signature

6-22-2015  
Date XC

JUN 15 2015

RECEIVED

FEB 06 2015

Form 3160-3  
(March 2012)FORM APPROVED  
OMB No. 1004-0137  
Expires October 31, 2014UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

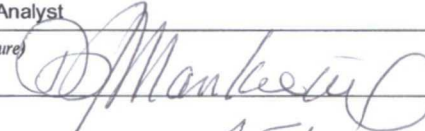
## APPLICATION FOR PERMIT TO DRILL OR REENTER

|                                                                                                                                                                                                                                            |                                                                  |                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER                                                                                                                                               |                                                                  | 5. Lease Serial No.<br>NM 118128, NMNM 117564                                                    |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone                     |                                                                  | 6. If Indian, Allottee or Tribe Name<br>N/A                                                      |
| 2. Name of Operator Encana Oil & Gas (USA) Inc.                                                                                                                                                                                            |                                                                  | 7. If Unit or CA Agreement, Name and No.<br>N/A                                                  |
| 3a. Address 370 17th Street, Suite 1700<br>Denver, CO 80202                                                                                                                                                                                | 3b. Phone No. (include area code)<br>370 17th Street, Suite 1700 | 8. Lease Name and Well No.<br>Lybrook M26-2306 01H                                               |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)<br>At surface 1028' FSL and 459' FWL, Section 26, T23N, R6W SWNW<br>At proposed prod. zone 1980' FSL and 330' FWL, Section 27, T23N, R6W NWSW |                                                                  | 9. API Well No.<br>30-043-21250                                                                  |
| 14. Distance in miles and direction from nearest town or post office*<br>+/- 56.6 miles South at intersection of HWY 64 & US HWY 550 from Bloomfield, NM                                                                                   |                                                                  | 10. Field and Pool, or Exploratory<br>Counselors Gallup-Dakota                                   |
| 15. Distance from proposed* location to nearest property or lease line, ft.<br>BHL is 330' FWL Section 27, T23N, R6W<br>(Also to nearest drig. unit line, if any)                                                                          |                                                                  | 11. Sec., T. R. M. or Blk. and Survey or Area<br>Section 26, T23N, R6W NMPM<br>Sec 27, T23N, R6W |
| 16. No. of acres in lease<br>NMNM 117564- 1283.52<br>1323.52                                                                                                                                                                               |                                                                  | 12. County or Parish<br>Sandoval                                                                 |
| 17. Spacing Unit dedicated to this well<br>320.00 Acres- S/2 Section 27, T23, R6W                                                                                                                                                          |                                                                  | 13. State<br>NM                                                                                  |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.<br>SHL is +/-30 from Lybrook M26-2306 02H                                                                                       |                                                                  | 19. Proposed Depth<br>5,442' TVD; 11,000' MD                                                     |
| 20. BLM/BIA Bond No. on file<br>COB-000235                                                                                                                                                                                                 |                                                                  | 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br>6,953' GL; 6,969' KB                      |
| 22. Approximate date work will start*<br>07/01/2015                                                                                                                                                                                        |                                                                  | 23. Estimated duration<br>7/01/2015                                                              |

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

|                                                                                                             |                                      |                 |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------|
| 25. Signature            | Name (Printed/Typed)<br>Rosalie Thim | Date<br>2/5/15  |
| Title<br>Regulatory Analyst                                                                                 |                                      |                 |
| Approved by (Signature)  | Name (Printed/Typed)<br>AFH          | Date<br>6/11/15 |
| Title<br>AFH                                                                                                | Office<br>PFO                        |                 |

Application approval 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.

Conditions of approval, if any, are attached.

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.

(Continued on page 2) technical  
This action is subject to technical  
and procedural review pursuant to  
43 CFR 3165.3 and appeal  
pursuant to 43 CFR 3165.4

BLM'S APPROVAL OR ACCEPTANCE OF THIS  
ACTION DOES NOT RELIEVE THE LESSEE AND  
OPERATOR FROM OBTAINING ANY OTHER  
AUTHORIZATION REQUIRED FOR OPERATIONS  
ON FEDERAL AND INDIAN LANDS

\*(Instructions on page 2)  
DRILLING OPERATIONS  
AUTHORIZED ARE SUBJECT TO  
COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"

NIMCO TV

## DISTRICT I

1686 N. French Dr., Hobbs, N.M. 88240  
Phone: (505) 293-6181 Fax: (505) 293-0780

## DISTRICT II

511 S. First St., Artesia, N.M. 80810  
Phone: (505) 748-1888 Fax: (505) 748-9780

## DISTRICT III

1000 Rio Bravo Rd., Aztec, N.M. 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

## DISTRICT IV

1820 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 478-3480 Fax: (505) 478-3468

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 1, 2011

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

FEB 06 2015

Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                         |                                                           |                                                    |
|-----------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| <sup>1</sup> API Number<br>30-043-21250 | <sup>2</sup> Pool Code<br>13379                           | <sup>3</sup> Pool Name<br>COUNSELORS GALLUP-DAKOTA |
| <sup>4</sup> Property Code<br>314991    | <sup>5</sup> Property Name<br>LYBROOK M26-2306            | <sup>6</sup> Well Number<br>01H                    |
| <sup>7</sup> GRID No.<br>282327         | <sup>8</sup> Operator Name<br>ENCANA OIL & GAS (USA) INC. | <sup>9</sup> Elevation<br>6953.4                   |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| M             | 26      | 23N      | 6W    |         | 1028'         | SOUTH            | 459'          | WEST           | SANDOVAL |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| L             | 27      | 23N      | 6W    |         | 1980'         | SOUTH            | 330'          | WEST           | SANDOVAL |

|                                                           |                               |                                  |                         |
|-----------------------------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>320.00 ACRES 3/2 SEC. 27 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|-----------------------------------------------------------|-------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>BOTTOM HOLE</b><br/>LAT. 36.194550° N (NAD83)<br/>LONG. 107.463345° W (NAD83)<br/>LAT. 36.194536° N (NAD27)<br/>LONG. 107.462741° W (NAD27)</p> <p><b>ENTRY POINT</b><br/>LAT. 36.194460° N (NAD83)<br/>LONG. 107.447791° W (NAD83)<br/>LAT. 36.194446° N (NAD27)<br/>LONG. 107.447187° W (NAD27)</p> <p><b>WELL FLAG</b><br/>LAT. 36.191825° N (NAD83)<br/>LONG. 107.445114° W (NAD83)<br/>LAT. 36.191811° N (NAD27)<br/>LONG. 107.444510° W (NAD27)</p>                                           | <p><b>17 OPERATOR CERTIFICATION</b><br/>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Rosalie Thim</i> Date: 2/5/15</p> <p>Printed Name: Rosalie Thim</p> <p>rosalie.thim@encana.com</p> <p>E-mail Address</p> |
| <p><b>18 SURVEYOR CERTIFICATION</b><br/>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MAY 29, 2014</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>David Russell</i></p> <p>DAVID R. RUSSELL<br/>REGISTERED PROFESSIONAL SURVEYOR<br/>NEW MEXICO<br/>10201</p> <p>Certificate Number 10201</p> | <p><b>19</b></p> <p>ALL CORNERS<br/>FND 3/4" BC<br/>BLM 1984</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

Lybrook M26-2306 01H

SHL: 1028' FSL, 459' FWL Sec 26 23N 06W

BHL: 1980' FSL, 330' FWL Sec 27 23N 06W

Sandoval, New Mexico

**Encana Oil & Gas (USA) Inc.  
Drilling Plan**

**1. ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)**

The estimated tops of important geologic markers are as follows:

| <b>Formation</b>    | <b>Depth (TVD) units = feet</b> |
|---------------------|---------------------------------|
| San Jose Fn.        | n/a                             |
| Nacimiento Fn.      | surface                         |
| Ojo Alamo Ss.       | 1,389                           |
| Kirtland Shale      | 1,495                           |
| Fruitland Coal      | 1,671                           |
| Pictured Cliffs Ss. | 1,923                           |
| Lewis Shale         | 2,040                           |
| Cliffhouse Ss.      | 2,746                           |
| Menefee Fn.         | 3,472                           |
| Point Lookout Ss.   | 4,164                           |
| Mancos Shale        | 4,360                           |
| Mancos Silt         | 4,974                           |
| Gallup Fn.          | 5,222                           |
| Base Gallup         | 5,551                           |

The referenced surface elevation is 6953', KB 6969'

**2. ESTIMATED DEPTH OF POTENTIAL WATER, OIL, GAS,  
& OTHER MINERAL BEARING FORMATIONS**

| <b>Substance</b> | <b>Formation</b>    | <b>Depth (TVD) units = feet</b> |
|------------------|---------------------|---------------------------------|
| Water/Gas        | Fruitland Coal      | 1,671                           |
| Oil/Gas          | Pictured Cliffs Ss. | 1,923                           |
| Oil/Gas          | Cliffhouse Ss.      | 2,746                           |
| Gas              | Menefee Fn.         | 3,472                           |
| Oil/Gas          | Point Lookout Ss.   | 4,164                           |
| Oil/Gas          | Mancos Shale        | 4,360                           |
| Oil/Gas          | Mancos Silt         | 4,974                           |
| Oil/Gas          | Gallup Fn.          | 5,222                           |

All shows of fresh water and minerals will be reported and protected.

**Lybrook M26-2306 01H****SHL: 1028' FSL, 459' FWL Sec 26 23N 06W****BHL: 1980' FSL, 330' FWL Sec 27 23N 06W****Sandoval, New Mexico****3. PRESSURE CONTROL**

- a) Pressure control equipment and configuration will be designed to meet 2M standards.
- b) Working pressure on rams and BOPE will be 3,000 psi.
- c) Function test and visual inspection of the BOP will be conducted daily and noted in the IADC Daily Drilling Report.
- d) The Annular BOP will be pressure tested to a minimum of 50 percent of its rated working pressure.
- e) Blind and Pipe Rams/BOP will be tested against a test plug to 100 percent of rated working pressure.
- f) Pressure tests are required before drilling out from under all casing strings set and cemented in place.
- g) BOP controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned.
- h) BOP testing procedures and testing frequency will conform to Onshore Order No. 2.
- i) BOP remote controls shall be located on the rig floor at a location readily accessible to the driller. Master controls shall be on the ground at the accumulator and shall have the capability to function all preventers.
- j) The kill line shall be 2-inch minimum and contain two kill line valves, one of which shall be a check valve.
- k) The choke line shall be a 2-inch minimum and contain two choke line valves (2-inch minimum).
- l) The choke and manifold shall contain two adjustable chokes.
- m) Hand wheels shall be installed on all ram preventers.
- n) Safety valves and wrenches (with subs for drill string connections) shall be available on the rig floor at all times.
- o) Inside BOP or float sub shall also be available on the rig floor at all times.

Proposed BOP and choke manifold arrangements are attached.

**4. CASING & CEMENTING PROGRAM**

The proposed casing and cementing program has been designed to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. All indications of useable water shall be reported.

- a) The proposed casing design is as follows:

| Casing           | Depth (MD)   | Hole Size | Csg Size | Weight | Grade         |
|------------------|--------------|-----------|----------|--------|---------------|
| Conductor        | 0'-60'       | 26"       | 16"      | 42.09# |               |
| Surface          | 0'-500'      | 12 1/4"   | 9 5/8"   | 36#    | J55, STC New  |
| Intermediate     | 0'-5276'     | 8 3/4"    | 7"       | 26#    | J55, LTC New  |
| Production Liner | 5176'-11000' | 6 1/8"    | 4 1/2"   | 11.6#  | B80*, LTC New |

| Casing String |              |       |            | Casing Strength Properties |             |                   | Minimum Design Factors |       |         |
|---------------|--------------|-------|------------|----------------------------|-------------|-------------------|------------------------|-------|---------|
| Size          | Weight (ppf) | Grade | Connection | Collapse (psi)             | Burst (psi) | Tensile (1000lbs) | Collapse               | Burst | Tension |
| 9 5/8"        | 36           | J55   | STC        | 2020                       | 3520        | 394               | 1.125                  | 1.1   | 1.5     |
| 7"            | 26           | J55   | LTC        | 4320                       | 4980        | 367               | 1.125                  | 1.1   | 1.5     |
| 4.5"          | 11.6         | B80   | LTC        | 6350                       | 7780        | 201               | 1.125                  | 1.1   | 1.5     |

\*B80 pipe specifications are attached

Casing design is subject to revision based on geologic conditions encountered

**Lybrook M26-2306 01H****SHL: 1028' FSL, 459' FWL Sec 26 23N 06W****BHL: 1980' FSL, 330' FWL Sec 27 23N 06W****Sandoval, New Mexico**

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1,500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

b) The proposed cementing program is as follows:

| <b>Casing</b>    | <b>Depth (MD)</b> | <b>Cement Volume (sacks)</b>                                                  | <b>Cement Type &amp; Yield</b>                                                                                                                                                                                                                    | <b>Designed TOC</b> | <b>Centralizers</b>                          |
|------------------|-------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------|
| Conductor        | 0'-60'            | 100 sks                                                                       | Type I Neat 16 ppg                                                                                                                                                                                                                                | Surface             | None                                         |
| Surface          | 0'-500'           | 276 sks                                                                       | Type III Cement + 1% bwoc<br>Calcium Chloride + 0.25 lbs/sack<br>Cello Flake + 0.2% bwoc FL-52A +<br>58.9% Fresh Water                                                                                                                            | Surface             | 1 per joint on bottom 3 joints               |
| Intermediate     | 0'-5276'          | 100% open hole excess<br>Stage 1 Lead:<br>699 sks<br>Stage 1 Tail:<br>532 sks | Lead: PremLite + 3% CaCl +<br>0.25lb/sk CelloFlake + 5lb/sk LCM,<br>12.1ppg 2.13cuft/sk<br>Tail: Type III Cmt + 1% CaCl +<br>0.25lb/sk Cello Flake 14.5ppg<br>1.38cuft/sk                                                                         | Surface             | 1 every 3 joints through water bearing zones |
| Production Liner | 5176'-11000'      | 50% OH excess<br>Stage 1 Blend Total:<br>328sks                               | Blend: Premium Lite High<br>Strength FM + 0.7% bwoc R-3 +<br>3% bwow Potassium Chloride +<br>0.25lbs/sack Cello Flake + 0.5%<br>bwoc CD-32 + 1.15% bwoc FL-<br>52A + 60 lbs/sack Calcium<br>Carbonate + 124.4% Fresh Water.<br>Yield 2.63 cuft/sk | Liner Hanger        | N/A                                          |

Actual volumes will be calculated and determined by conditions onsite. All cement slurries will meet or exceed minimum BLM and New Mexico Oil Conservation Division requirements. Slurries used will be the slurries listed above or equivalent slurries depending on service provider selected. Cement yields may change depending on slurries selected.

All waiting on cement times shall be a minimum of 8 hours or adequate to achieve minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

**5. WELL PLAN & DIRECTIONAL DRILLING PROGRAM**

The proposed horizontal well will have a kick off point of 4588'. Directional plans are attached.

| <b>Description</b>    | <b>Proposed Depth (TVD/MD)</b> | <b>Formation</b> |
|-----------------------|--------------------------------|------------------|
| Horizontal Lateral TD | 5442'/11000'                   | Gallup           |

**Lybrook M26-2306 01H****SHL: 1028' FSL, 459' FWL Sec 26 23N 06W****BHL: 1980' FSL, 330' FWL Sec 27 23N 06W****Sandoval, New Mexico****6. DRILLING FLUIDS PROGRAM****a) Surface through Intermediate Casing Point:**

| Hole Size (in) | Depth (TVD/MD)        | Mud Type         | Density (ppg) | Viscosity (sec/qt) | Fluid Loss (cc) |
|----------------|-----------------------|------------------|---------------|--------------------|-----------------|
| 30"            | 0-60'/60'             | Fresh Water      | 8.3-9.2       | 38-100             | 4-28            |
| 12 1/4"        | 0'-500'/500'          | Fresh Water      | 8.3-10        | 60-70              | NC              |
| 8 3/4"         | 500'/500'-5175'/5276' | Fresh Water LSND | 8.3-10        | 40-50              | 8-10            |

**b) Intermediate Casing Point to TD:**

| Hole Size (in) | Depth (TVD/MD)               | Mud Type         | Density (ppg) | Viscosity (sec/qt) | Fluid Loss (cc) |
|----------------|------------------------------|------------------|---------------|--------------------|-----------------|
| 6 1/8"         | 5175'/5276'-<br>5442'/11000' | Fresh Water LSND | 8.3-10        | 15-25              | <15             |

- c) There will be sufficient mud on location to control a blowout should one occur. Mud flow and volume will be monitored both visually and with electronic pit volume totalizers. Mud tests shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

- ✓ d) A closed-loop system will be used to recover drilling fluid and dry cuttings in both phases of the well and on all hole intervals. Above-ground tanks will be utilized to hold cuttings and fluids for rig operations. A frac tank will be on location to store fresh water. Waste will be disposed of properly at an EPA-approved hazardous waste facility. Fresh water cuttings will be disposed of at Basin Disposal, Inc. and/or Industrial Ecosystems, Inc. The location will be lined in accordance with the Surface Use Plan of Operations.

**7. TESTING, CORING, & LOGGING**

- a) Drill Stem Testing - None anticipated.  
b) Coring - None anticipated.  
c) Mudd Logging - Mud loggers will be on location from kick off point to TD.  
d) Logging - See below

Cased Hole:

CBL/CCL/GR/VDL will be run as needed for perforating control

**8. ABNORMAL PRESSURES & HYDROGEN SULFIDE**

The anticipated bottom hole pressure is +/- 2565 psi based on a 9.0 ppg at 5480' TVD of the horizontal lateral target. No abnormal pressure or temperatures are anticipated.

No hydrogen sulfide gas is anticipated, however, if H<sub>2</sub>S is encountered, the guidelines in Onshore Order No. 6 will be followed.

**9. ANTICIPATED START DATE AND DURATION OF OPERATIONS**

Drilling is estimated to commence on July 1, 2015. It is anticipated that completion operations will begin within 30 days after the well has been drilled depending on fracture treatment schedules with various pumping service companies.

It is anticipated that the drilling of this well will take approximately 20 days.

| LOC: 1028' FSL, 459' FWL Sec 26 23N 06W<br>County: Sandoval<br>WELL: Lybrook M26-2306 01H                                                             |                      |                                    | Encana Natural Gas<br><br>WELL SUMMARY |        |  |              | ENG: Michael Sanch 2-2-15<br>RIG: Unassigned<br>GLE: 6953.4<br>RKBE: 6969.4                                                                                                                                                                                                                                                                 |                         |                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------|----------------------------------------|--------|--|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------|
| MWD<br>LWD                                                                                                                                            | OPEN HOLE<br>LOGGING | FORM                               | DEPTH                                  |        |  | HOLE<br>SIZE | CASING<br>SPECS                                                                                                                                                                                                                                                                                                                             | MW<br>MUD TYPE          | DEVIATION<br>INFORMATION                                |
|                                                                                                                                                       |                      |                                    | TVD                                    | MD     |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
|                                                                                                                                                       |                      |                                    | 60                                     | 60'    |  | 26           | 16" 42.09#<br>100sx Type I Neat 16.0ppg cmt                                                                                                                                                                                                                                                                                                 | Fresh wtr<br>8.3-9.2    |                                                         |
| Multi-Well pad take survey every stand and run anti-collision report prior to spud                                                                    | None                 | San Jose Fn.                       | 0                                      |        |  | 12 1/4       | 9 5/8" 36ppf J55 STC<br><br>TOC Surface with 100% OH Excess: 276 sks Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52A + 58.9% Fresh Water.                                                                                                                                                         | Fresh wtr<br><br>8.3-10 | Vertical<br><br><1°                                     |
|                                                                                                                                                       |                      | Nacimiento Fn.<br>9 5/8" Csg       | surface<br>500                         | 500.00 |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
| Survey Every 60'-120', updating anticollision report after surveys. Stop operations and contact drilling engineer if separation factor approaches 1.5 | No OH logs           | Ojo Alamo Ss.<br>Kirtland Shale    | 1,389<br>1,495                         |        |  | 8 3/4        | 7" 26ppf J55 LTC<br><br>TOC @ surface<br>(100% OH excess - 70% Lead 30% Tail)<br>Stage 1 Total: 1231sks<br><br>Stage 1 Lead: 699 sks Premium Lite FM + 3% CaCl2 + 0.25/sk Cello Flake + 5#/sk LCM-1 + 8% Bentonite + 0.4% FL-52A + 0.4% Sodium Metasilicate. Mixed at 12.1 ppg. Yield 2.13 cuft/sk.                                         | Fresh Wtr<br><br>8.3-10 | Vertical<br><br><1°                                     |
|                                                                                                                                                       |                      | Fruitland Coal                     | 1,671                                  |        |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
|                                                                                                                                                       |                      | Pictured Cliffs Ss.<br>Lewis Shale | 1,923<br>2,040                         |        |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
|                                                                                                                                                       |                      | Cliffhouse Ss.<br>Menefee Fn.      | 2,746<br>3,472                         |        |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
|                                                                                                                                                       |                      | Point Lookout Ss.<br>Mancos Shale  | 4,164<br>4,360                         |        |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
|                                                                                                                                                       |                      | KOP                                | 4,588                                  |        |  |              | 4,588                                                                                                                                                                                                                                                                                                                                       |                         |                                                         |
| Surveys every 30' through the curve                                                                                                                   | Mud logger onsite    | Mancos Silt                        | 4,974                                  |        |  |              | Stage 1 Tail: 532 sks Type III Cement + 1% CaCl2 + 0.25#/sk Cello Flake + 0.2% FL-52A. Mixed at 14.6 ppg. Yield 1.38 cuft/sk.                                                                                                                                                                                                               |                         |                                                         |
|                                                                                                                                                       |                      | Gallup Fn.                         | 5,222                                  |        |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
|                                                                                                                                                       |                      | 7" Csg                             | 5,175                                  | 5,276' |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
| Surveys every stand to TD unless directed otherwise by Geologist                                                                                      | No OH Logs           | Horizontal Target TD               | 5,480<br>5,442                         | 11,000 |  | 6 1/8        | 100' overlap at liner top<br><br>5724' Drilled Lateral                                                                                                                                                                                                                                                                                      |                         | Horz Inc/TVD<br>90.4deg/5480.4ft<br><br>TD = 10999.7 MD |
|                                                                                                                                                       |                      | Base Gallup                        | 5,551                                  |        |  |              |                                                                                                                                                                                                                                                                                                                                             |                         |                                                         |
| MWD<br>Gamma<br>Directional                                                                                                                           |                      |                                    |                                        |        |  |              | 4 1/2" 11.6ppf SB80 LTC<br><br>TOC @ hanger<br>(50% OH excess)<br>Stage 1 Total: 328sks<br><br>Stage 1 Blend: 328 sks Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwow Potassium Chloride + 0.25lbs/sack Cello Flake + 0.5% bwoc CD-32 + 1.15% bwoc FL-52A + 60 lbs/sack Calcium Carbonate + 124.4% Fresh Water. Yield 2.63 cuft/sk. | WBM<br>8.3-10           |                                                         |

**NOTES:**

- 1) Drill with 26" bit to 60', set 16" 42.09ppf conductor pipe
- 2) Drill surface to 500', R&C 9 5/8" casing
- 3) N/U BOP and surface equipment
- 4) Drill to KOP of 4588', 8 3/4 inch holesize
- 5) Start curve at 10deg/100' build rate
- 6) Drill to csg point of 5276' MD
- 7) R&C 7" csg, circ cmt to surface
- 8) Land at ~90 deg, drill lateral to 11000' run 4 1/2 inch cemented liner

OIL CONS. DIV DIST. 3

JUN 15 2015



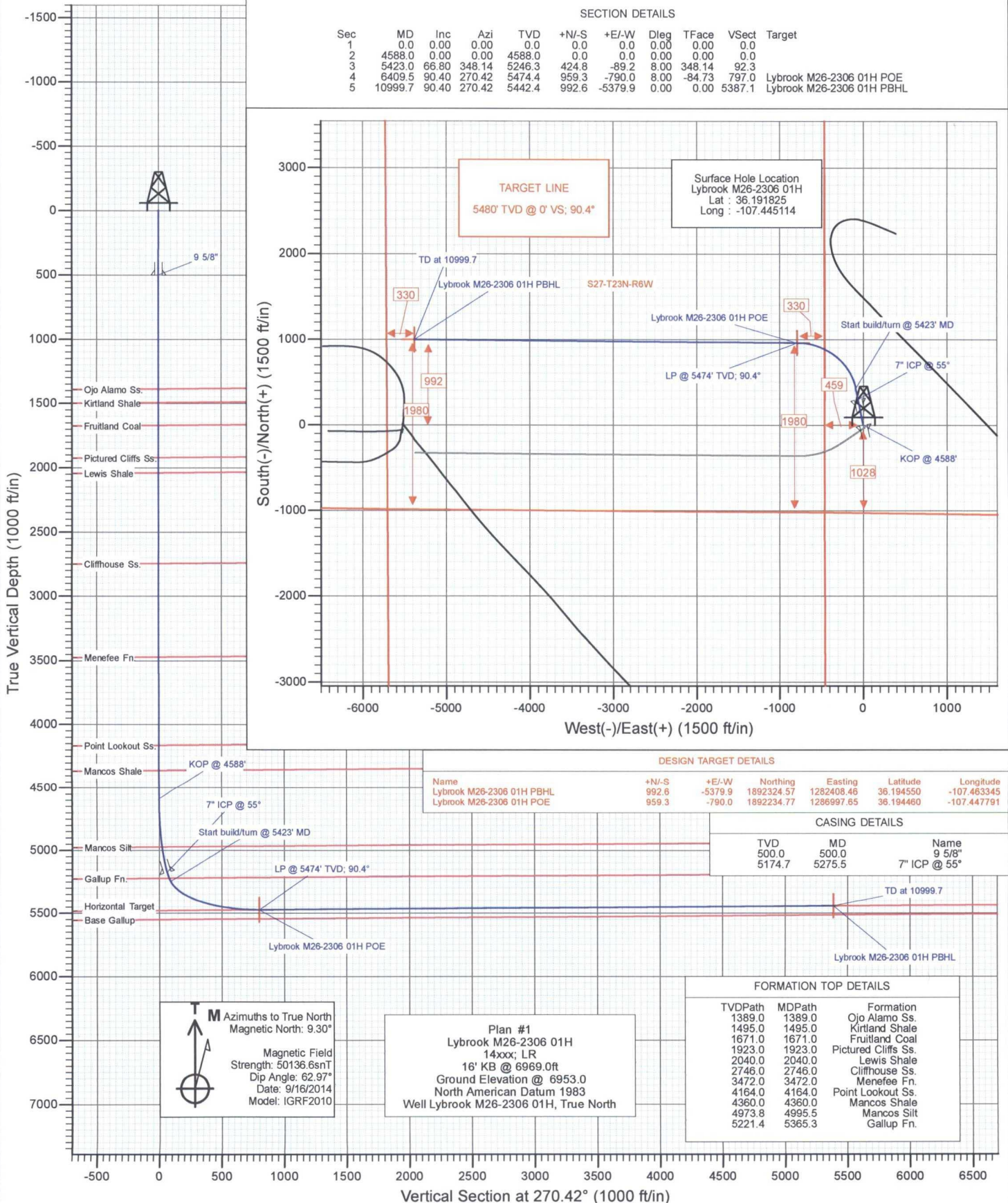
Project: Sandoval County, NM  
 Site: S26-T23N-R6W  
 Well: Lybrook M26-2306 01H  
 Wellbore: HZ  
 Design: Plan #1

JUN 15 2015



## SECTION DETAILS

| Sec | MD      | Inc   | Azi    | TVD    | +N/-S | +E/-W   | Dleg | TFace  | VFace  | Target                    |
|-----|---------|-------|--------|--------|-------|---------|------|--------|--------|---------------------------|
| 1   | 0.0     | 0.00  | 0.00   | 0.0    | 0.0   | 0.0     | 0.00 | 0.00   | 0.0    |                           |
| 2   | 4588.0  | 0.00  | 0.00   | 4588.0 | 0.0   | 0.0     | 0.00 | 0.00   | 0.0    |                           |
| 3   | 5423.0  | 66.80 | 348.14 | 5246.3 | 424.8 | -89.2   | 8.00 | 348.14 | 92.3   | Lybrook M26-2306 01H POE  |
| 4   | 6409.5  | 90.40 | 270.42 | 5474.4 | 959.3 | -790.0  | 8.00 | -84.73 | 797.0  | Lybrook M26-2306 01H PBHL |
| 5   | 10999.7 | 90.40 | 270.42 | 5442.4 | 992.6 | -5379.9 | 0.00 | 0.00   | 5387.1 |                           |



# Planning Report

|                  |                             |                                     |                           |
|------------------|-----------------------------|-------------------------------------|---------------------------|
| <b>Database:</b> | USA EDM 5000 Multi Users DB | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H |
| <b>Company:</b>  | EnCana Oil & Gas (USA) Inc  | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft         |
| <b>Project:</b>  | Sandoval County, NM         | <b>MD Reference:</b>                | 16' KB @ 6969.0ft         |
| <b>Site:</b>     | S26-T23N-R6W                | <b>North Reference:</b>             | True                      |
| <b>Well:</b>     | Lybrook M26-2306 01H        | <b>Survey Calculation Method:</b>   | Minimum Curvature         |
| <b>Wellbore:</b> | HZ                          |                                     |                           |
| <b>Design:</b>   | Plan #1                     |                                     |                           |

|                    |                           |                      |                |
|--------------------|---------------------------|----------------------|----------------|
| <b>Project</b>     | Sandoval County, NM       |                      |                |
| <b>Map System:</b> | US State Plane 1983       | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | North American Datum 1983 |                      |                |
| <b>Map Zone:</b>   | New Mexico Central Zone   |                      |                |

|                       |              |              |                 |                   |             |
|-----------------------|--------------|--------------|-----------------|-------------------|-------------|
| Site                  | S26-T23N-R6W |              |                 |                   |             |
| Site Position:        |              | Northing:    | 1,890,393.73 ft | Latitude:         | 36.189558   |
| From:                 | Lat/Long     | Easting:     | 1,291,584.38 ft | Longitude:        | -107.432173 |
| Position Uncertainty: | 0.0 ft       | Slot Radius: | 13.200 in       | Grid Convergence: | -0.70 °     |

|                      |                      |        |                     |                 |               |             |
|----------------------|----------------------|--------|---------------------|-----------------|---------------|-------------|
| Well                 | Lybrook M26-2306 01H |        |                     |                 |               |             |
| Well Position        | +N/-S                | 0.0 ft | Northing:           | 1,891,265.79 ft | Latitude:     | 36.191825   |
|                      | +E/-W                | 0.0 ft | Easting:            | 1,287,775.75 ft | Longitude:    | -107.445114 |
| Position Uncertainty |                      | 0.0 ft | Wellhead Elevation: | 0.0 ft          | Ground Level: | 6,953.0 ft  |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | HZ                |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2010          | 9/16/2014          | 9.30                   | 62.97                | 50,137                     |

|                          |                              |                   |                      |                      |
|--------------------------|------------------------------|-------------------|----------------------|----------------------|
| <b>Design</b>            | Plan #1                      |                   |                      |                      |
| <b>Audit Notes:</b>      |                              |                   |                      |                      |
| <b>Version:</b>          | <b>Phase:</b>                | PLAN              | <b>Tie On Depth:</b> | 0.0                  |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (ft)</b> | <b>+N/-S (ft)</b> | <b>+E/-W (ft)</b>    | <b>Direction (°)</b> |
|                          | 0.0                          | 0.0               | 0.0                  | 270.42               |

| <b>Plan Sections</b> |                 |             |                     |            |            |                       |                      |                     |         |                     |
|----------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|----------------------|---------------------|---------|---------------------|
| Measured Depth (ft)  | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) | TFO (°) | Target              |
| 0.0                  | 0.00            | 0.00        | 0.0                 | 0.0        | 0.0        | 0.00                  | 0.00                 | 0.00                | 0.00    |                     |
| 4,588.0              | 0.00            | 0.00        | 4,588.0             | 0.0        | 0.0        | 0.00                  | 0.00                 | 0.00                | 0.00    |                     |
| 5,423.0              | 66.80           | 348.14      | 5,246.3             | 424.8      | -89.2      | 8.00                  | 8.00                 | 0.00                | 348.14  |                     |
| 6,409.5              | 90.40           | 270.42      | 5,474.4             | 959.3      | -790.0     | 8.00                  | 2.39                 | -7.88               | -84.73  | Lybrook M26-2306 01 |
| 10,999.7             | 90.40           | 270.42      | 5,442.4             | 992.6      | -5,379.9   | 0.00                  | 0.00                 | 0.00                | 0.00    | Lybrook M26-2306 01 |

# Planning Report

|                  |                             |                                     |                           |
|------------------|-----------------------------|-------------------------------------|---------------------------|
| <b>Database:</b> | USA EDM 5000 Multi Users DB | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H |
| <b>Company:</b>  | EnCana Oil & Gas (USA) Inc  | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft         |
| <b>Project:</b>  | Sandoval County, NM         | <b>MD Reference:</b>                | 16' KB @ 6969.0ft         |
| <b>Site:</b>     | S26-T23N-R6W                | <b>North Reference:</b>             | True                      |
| <b>Well:</b>     | Lybrook M26-2306 01H        | <b>Survey Calculation Method:</b>   | Minimum Curvature         |
| <b>Wellbore:</b> | HZ                          |                                     |                           |
| <b>Design:</b>   | Plan #1                     |                                     |                           |

## Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Comments / Formations |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|-----------------------|
| 0.0                 | 0.00            | 0.00        | 0.0                 | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 100.0               | 0.00            | 0.00        | 100.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 200.0               | 0.00            | 0.00        | 200.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 300.0               | 0.00            | 0.00        | 300.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 400.0               | 0.00            | 0.00        | 400.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 500.0               | 0.00            | 0.00        | 500.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | 9 5/8"                |
| 600.0               | 0.00            | 0.00        | 600.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 700.0               | 0.00            | 0.00        | 700.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 800.0               | 0.00            | 0.00        | 800.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 900.0               | 0.00            | 0.00        | 900.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,000.0             | 0.00            | 0.00        | 1,000.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,100.0             | 0.00            | 0.00        | 1,100.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,200.0             | 0.00            | 0.00        | 1,200.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,300.0             | 0.00            | 0.00        | 1,300.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,389.0             | 0.00            | 0.00        | 1,389.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Ojo Alamo Ss.         |
| 1,400.0             | 0.00            | 0.00        | 1,400.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,495.0             | 0.00            | 0.00        | 1,495.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Kirtland Shale        |
| 1,500.0             | 0.00            | 0.00        | 1,500.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,600.0             | 0.00            | 0.00        | 1,600.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,671.0             | 0.00            | 0.00        | 1,671.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Fruitland Coal        |
| 1,700.0             | 0.00            | 0.00        | 1,700.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,800.0             | 0.00            | 0.00        | 1,800.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,900.0             | 0.00            | 0.00        | 1,900.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 1,923.0             | 0.00            | 0.00        | 1,923.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Pictured Cliffs Ss.   |
| 2,000.0             | 0.00            | 0.00        | 2,000.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,040.0             | 0.00            | 0.00        | 2,040.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Lewis Shale           |
| 2,100.0             | 0.00            | 0.00        | 2,100.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,200.0             | 0.00            | 0.00        | 2,200.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,300.0             | 0.00            | 0.00        | 2,300.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,400.0             | 0.00            | 0.00        | 2,400.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,500.0             | 0.00            | 0.00        | 2,500.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,600.0             | 0.00            | 0.00        | 2,600.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,700.0             | 0.00            | 0.00        | 2,700.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,746.0             | 0.00            | 0.00        | 2,746.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Cliffhouse Ss.        |
| 2,800.0             | 0.00            | 0.00        | 2,800.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 2,900.0             | 0.00            | 0.00        | 2,900.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,000.0             | 0.00            | 0.00        | 3,000.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,100.0             | 0.00            | 0.00        | 3,100.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,200.0             | 0.00            | 0.00        | 3,200.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,300.0             | 0.00            | 0.00        | 3,300.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,400.0             | 0.00            | 0.00        | 3,400.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,472.0             | 0.00            | 0.00        | 3,472.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Menefee Fn.           |
| 3,500.0             | 0.00            | 0.00        | 3,500.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,600.0             | 0.00            | 0.00        | 3,600.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,700.0             | 0.00            | 0.00        | 3,700.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,800.0             | 0.00            | 0.00        | 3,800.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 3,900.0             | 0.00            | 0.00        | 3,900.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 4,000.0             | 0.00            | 0.00        | 4,000.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 4,100.0             | 0.00            | 0.00        | 4,100.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 4,164.0             | 0.00            | 0.00        | 4,164.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Point Lookout Ss.     |
| 4,200.0             | 0.00            | 0.00        | 4,200.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |
| 4,300.0             | 0.00            | 0.00        | 4,300.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                       |

# Planning Report

**Database:** USA EDM 5000 Multi Users DB  
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** Sandoval County, NM  
**Site:** S26-T23N-R6W  
**Well:** Lybrook M26-2306 01H  
**Wellbore:** HZ  
**Design:** Plan #1

**Local Co-ordinate Reference:** Well Lybrook M26-2306 01H  
**TVD Reference:** 16' KB @ 6969.0ft  
**MD Reference:** 16' KB @ 6969.0ft  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

## Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Comments / Formations    |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|--------------------------|
| 4,360.0             | 0.00            | 0.00        | 4,360.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | Mancos Shale             |
| 4,400.0             | 0.00            | 0.00        | 4,400.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                          |
| 4,500.0             | 0.00            | 0.00        | 4,500.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                          |
| 4,588.0             | 0.00            | 0.00        | 4,588.0             | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 |                          |
| 4,600.0             | 0.96            | 348.14      | 4,600.0             | 0.1        | 0.0        | 0.0                   | 8.00                  | 8.00                 |                          |
| 4,700.0             | 8.96            | 348.14      | 4,699.5             | 8.6        | -1.8       | 1.9                   | 8.00                  | 8.00                 |                          |
| 4,800.0             | 16.96           | 348.14      | 4,796.9             | 30.5       | -6.4       | 6.6                   | 8.00                  | 8.00                 |                          |
| 4,900.0             | 24.96           | 348.14      | 4,890.2             | 65.5       | -13.7      | 14.2                  | 8.00                  | 8.00                 |                          |
| 4,994.7             | 32.54           | 348.14      | 4,973.2             | 110.0      | -23.1      | 23.9                  | 8.00                  | 8.00                 | Mancos Silt              |
| 5,000.0             | 32.96           | 348.14      | 4,977.6             | 112.8      | -23.7      | 24.5                  | 8.00                  | 8.00                 |                          |
| 5,100.0             | 40.96           | 348.14      | 5,057.5             | 171.6      | -36.0      | 37.3                  | 8.00                  | 8.00                 |                          |
| 5,200.0             | 48.96           | 348.14      | 5,128.2             | 240.7      | -50.5      | 52.3                  | 8.00                  | 8.00                 |                          |
| 5,275.5             | 55.00           | 348.14      | 5,174.7             | 298.9      | -62.8      | 64.9                  | 8.00                  | 8.00                 | 7" ICP @ 55°             |
| 5,300.0             | 56.96           | 348.14      | 5,188.4             | 318.8      | -66.9      | 69.3                  | 8.00                  | 8.00                 |                          |
| 5,361.0             | 61.84           | 348.14      | 5,219.4             | 370.1      | -77.7      | 80.4                  | 8.00                  | 8.00                 | Gallup Fn.               |
| 5,400.0             | 64.96           | 348.14      | 5,236.9             | 404.3      | -84.9      | 87.8                  | 8.00                  | 8.00                 |                          |
| 5,423.0             | 66.80           | 348.14      | 5,246.3             | 424.8      | -89.2      | 92.3                  | 8.00                  | 8.00                 |                          |
| 5,500.0             | 67.50           | 341.50      | 5,276.2             | 493.2      | -107.8     | 111.4                 | 8.00                  | 0.91                 |                          |
| 5,600.0             | 68.82           | 333.00      | 5,313.5             | 578.7      | -143.6     | 147.9                 | 8.00                  | 1.31                 |                          |
| 5,700.0             | 70.55           | 324.68      | 5,348.2             | 658.9      | -192.1     | 197.0                 | 8.00                  | 1.73                 |                          |
| 5,800.0             | 72.65           | 316.54      | 5,379.9             | 732.1      | -252.3     | 257.7                 | 8.00                  | 2.10                 |                          |
| 5,900.0             | 75.07           | 308.61      | 5,407.7             | 797.0      | -323.0     | 328.8                 | 8.00                  | 2.42                 |                          |
| 6,000.0             | 77.76           | 300.86      | 5,431.2             | 852.3      | -402.8     | 409.1                 | 8.00                  | 2.69                 |                          |
| 6,100.0             | 80.66           | 293.27      | 5,450.0             | 896.9      | -490.3     | 496.8                 | 8.00                  | 2.90                 |                          |
| 6,158.6             | 82.43           | 288.89      | 5,458.6             | 917.7      | -544.3     | 551.0                 | 8.00                  | 3.03                 | Payzone Top              |
| 6,200.0             | 83.72           | 285.81      | 5,463.6             | 930.0      | -583.5     | 590.3                 | 8.00                  | 3.10                 |                          |
| 6,300.0             | 86.88           | 278.44      | 5,471.8             | 950.9      | -680.9     | 687.9                 | 8.00                  | 3.16                 |                          |
| 6,334.2             | 87.98           | 275.93      | 5,473.3             | 955.2      | -714.8     | 721.8                 | 8.00                  | 3.20                 | Horizontal Target        |
| 6,400.0             | 90.09           | 271.11      | 5,474.4             | 959.2      | -780.4     | 787.5                 | 8.00                  | 3.22                 |                          |
| 6,409.5             | 90.40           | 270.42      | 5,474.4             | 959.3      | -790.0     | 797.0                 | 8.00                  | 3.22                 | Lybrook M26-2306 01H POE |
| 6,500.0             | 90.40           | 270.42      | 5,473.8             | 960.0      | -880.4     | 887.5                 | 0.00                  | 0.00                 |                          |
| 6,600.0             | 90.40           | 270.42      | 5,473.1             | 960.7      | -980.4     | 987.5                 | 0.00                  | 0.00                 |                          |
| 6,700.0             | 90.40           | 270.42      | 5,472.4             | 961.4      | -1,080.4   | 1,087.4               | 0.00                  | 0.00                 |                          |
| 6,800.0             | 90.40           | 270.42      | 5,471.7             | 962.2      | -1,180.4   | 1,187.4               | 0.00                  | 0.00                 |                          |
| 6,900.0             | 90.40           | 270.42      | 5,471.0             | 962.9      | -1,280.4   | 1,287.4               | 0.00                  | 0.00                 |                          |
| 7,000.0             | 90.40           | 270.42      | 5,470.3             | 963.6      | -1,380.4   | 1,387.4               | 0.00                  | 0.00                 |                          |
| 7,100.0             | 90.40           | 270.42      | 5,469.6             | 964.3      | -1,480.4   | 1,487.4               | 0.00                  | 0.00                 |                          |
| 7,200.0             | 90.40           | 270.42      | 5,468.9             | 965.1      | -1,580.4   | 1,587.4               | 0.00                  | 0.00                 |                          |
| 7,300.0             | 90.40           | 270.42      | 5,468.2             | 965.8      | -1,680.4   | 1,687.4               | 0.00                  | 0.00                 |                          |
| 7,400.0             | 90.40           | 270.42      | 5,467.5             | 966.5      | -1,780.4   | 1,787.4               | 0.00                  | 0.00                 |                          |
| 7,500.0             | 90.40           | 270.42      | 5,466.8             | 967.2      | -1,880.4   | 1,887.4               | 0.00                  | 0.00                 |                          |
| 7,600.0             | 90.40           | 270.42      | 5,466.1             | 968.0      | -1,980.4   | 1,987.4               | 0.00                  | 0.00                 |                          |
| 7,700.0             | 90.40           | 270.42      | 5,465.4             | 968.7      | -2,080.4   | 2,087.4               | 0.00                  | 0.00                 |                          |
| 7,800.0             | 90.40           | 270.42      | 5,464.7             | 969.4      | -2,180.4   | 2,187.4               | 0.00                  | 0.00                 |                          |
| 7,900.0             | 90.40           | 270.42      | 5,464.0             | 970.1      | -2,280.4   | 2,287.4               | 0.00                  | 0.00                 |                          |
| 8,000.0             | 90.40           | 270.42      | 5,463.3             | 970.8      | -2,380.4   | 2,387.4               | 0.00                  | 0.00                 |                          |
| 8,100.0             | 90.40           | 270.42      | 5,462.6             | 971.6      | -2,480.4   | 2,487.4               | 0.00                  | 0.00                 |                          |
| 8,200.0             | 90.40           | 270.42      | 5,461.9             | 972.3      | -2,580.4   | 2,587.4               | 0.00                  | 0.00                 |                          |
| 8,300.0             | 90.40           | 270.42      | 5,461.2             | 973.0      | -2,680.3   | 2,687.4               | 0.00                  | 0.00                 |                          |
| 8,400.0             | 90.40           | 270.42      | 5,460.5             | 973.7      | -2,780.3   | 2,787.4               | 0.00                  | 0.00                 |                          |
| 8,500.0             | 90.40           | 270.42      | 5,459.8             | 974.5      | -2,880.3   | 2,887.4               | 0.00                  | 0.00                 |                          |
| 8,600.0             | 90.40           | 270.42      | 5,459.1             | 975.2      | -2,980.3   | 2,987.4               | 0.00                  | 0.00                 |                          |

# Planning Report

|                  |                             |                                     |                           |
|------------------|-----------------------------|-------------------------------------|---------------------------|
| <b>Database:</b> | USA EDM 5000 Multi Users DB | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H |
| <b>Company:</b>  | EnCana Oil & Gas (USA) Inc  | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft         |
| <b>Project:</b>  | Sandoval County, NM         | <b>MD Reference:</b>                | 16' KB @ 6969.0ft         |
| <b>Site:</b>     | S26-T23N-R6W                | <b>North Reference:</b>             | True                      |
| <b>Well:</b>     | Lybrook M26-2306 01H        | <b>Survey Calculation Method:</b>   | Minimum Curvature         |
| <b>Wellbore:</b> | HZ                          |                                     |                           |
| <b>Design:</b>   | Plan #1                     |                                     |                           |

## Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Comments / Formations     |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------------|
| 8,700.0             | 90.40           | 270.42      | 5,458.4             | 975.9      | -3,080.3   | 3,087.4               | 0.00                  | 0.00                 |                           |
| 8,800.0             | 90.40           | 270.42      | 5,457.7             | 976.6      | -3,180.3   | 3,187.4               | 0.00                  | 0.00                 |                           |
| 8,900.0             | 90.40           | 270.42      | 5,457.0             | 977.4      | -3,280.3   | 3,287.4               | 0.00                  | 0.00                 |                           |
| 9,000.0             | 90.40           | 270.42      | 5,456.3             | 978.1      | -3,380.3   | 3,387.4               | 0.00                  | 0.00                 |                           |
| 9,100.0             | 90.40           | 270.42      | 5,455.6             | 978.8      | -3,480.3   | 3,487.4               | 0.00                  | 0.00                 |                           |
| 9,200.0             | 90.40           | 270.42      | 5,454.9             | 979.5      | -3,580.3   | 3,587.4               | 0.00                  | 0.00                 |                           |
| 9,300.0             | 90.40           | 270.42      | 5,454.2             | 980.3      | -3,680.3   | 3,687.4               | 0.00                  | 0.00                 |                           |
| 9,400.0             | 90.40           | 270.42      | 5,453.5             | 981.0      | -3,780.3   | 3,787.4               | 0.00                  | 0.00                 |                           |
| 9,500.0             | 90.40           | 270.42      | 5,452.8             | 981.7      | -3,880.3   | 3,887.4               | 0.00                  | 0.00                 |                           |
| 9,600.0             | 90.40           | 270.42      | 5,452.2             | 982.4      | -3,980.3   | 3,987.4               | 0.00                  | 0.00                 |                           |
| 9,700.0             | 90.40           | 270.42      | 5,451.5             | 983.2      | -4,080.3   | 4,087.4               | 0.00                  | 0.00                 |                           |
| 9,800.0             | 90.40           | 270.42      | 5,450.8             | 983.9      | -4,180.3   | 4,187.4               | 0.00                  | 0.00                 |                           |
| 9,900.0             | 90.40           | 270.42      | 5,450.1             | 984.6      | -4,280.3   | 4,287.4               | 0.00                  | 0.00                 |                           |
| 10,000.0            | 90.40           | 270.42      | 5,449.4             | 985.3      | -4,380.3   | 4,387.4               | 0.00                  | 0.00                 |                           |
| 10,100.0            | 90.40           | 270.42      | 5,448.7             | 986.1      | -4,480.3   | 4,487.4               | 0.00                  | 0.00                 |                           |
| 10,200.0            | 90.40           | 270.42      | 5,448.0             | 986.8      | -4,580.3   | 4,587.4               | 0.00                  | 0.00                 |                           |
| 10,300.0            | 90.40           | 270.42      | 5,447.3             | 987.5      | -4,680.2   | 4,687.4               | 0.00                  | 0.00                 |                           |
| 10,400.0            | 90.40           | 270.42      | 5,446.6             | 988.2      | -4,780.2   | 4,787.4               | 0.00                  | 0.00                 |                           |
| 10,500.0            | 90.40           | 270.42      | 5,445.9             | 989.0      | -4,880.2   | 4,887.4               | 0.00                  | 0.00                 |                           |
| 10,600.0            | 90.40           | 270.42      | 5,445.2             | 989.7      | -4,980.2   | 4,987.4               | 0.00                  | 0.00                 |                           |
| 10,700.0            | 90.40           | 270.42      | 5,444.5             | 990.4      | -5,080.2   | 5,087.4               | 0.00                  | 0.00                 |                           |
| 10,800.0            | 90.40           | 270.42      | 5,443.8             | 991.1      | -5,180.2   | 5,187.3               | 0.00                  | 0.00                 |                           |
| 10,900.0            | 90.40           | 270.42      | 5,443.1             | 991.9      | -5,280.2   | 5,287.3               | 0.00                  | 0.00                 |                           |
| 10,999.7            | 90.40           | 270.42      | 5,442.4             | 992.6      | -5,379.9   | 5,387.1               | 0.00                  | 0.00                 | Lybrook M26-2306 01H PBHL |

## Targets

| Target Name<br>- hit/miss target<br>- Shape                    | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (ft) | Easting (ft) | Latitude  | Longitude   |
|----------------------------------------------------------------|---------------|--------------|----------|------------|------------|---------------|--------------|-----------|-------------|
| Lybrook M26-2306 01H  <br>- plan hits target center<br>- Point | 0.00          | 0.00         | 5,474.4  | 959.3      | -790.0     | 1,892,234.77  | 1,286,997.65 | 36.194460 | -107.447791 |
| Lybrook M26-2306 01H  <br>- plan hits target center<br>- Point | 0.00          | 0.00         | 5,442.4  | 992.6      | -5,379.9   | 1,892,324.57  | 1,282,408.46 | 36.194550 | -107.463345 |

## Casing Points

| Measured Depth (ft) | Vertical Depth (ft) | Name         | Casing Diameter (in) | Hole Diameter (in) |
|---------------------|---------------------|--------------|----------------------|--------------------|
| 500.0               | 500.0               | 9 5/8"       | 0.000                | 0.000              |
| 5,275.5             | 5,174.7             | 7" ICP @ 55° | 0.000                | 0.000              |

## Planning Report

|                  |                             |                                     |                           |
|------------------|-----------------------------|-------------------------------------|---------------------------|
| <b>Database:</b> | USA EDM 5000 Multi Users DB | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H |
| <b>Company:</b>  | EnCana Oil & Gas (USA) Inc  | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft         |
| <b>Project:</b>  | Sandoval County, NM         | <b>MD Reference:</b>                | 16' KB @ 6969.0ft         |
| <b>Site:</b>     | S26-T23N-R6W                | <b>North Reference:</b>             | True                      |
| <b>Well:</b>     | Lybrook M26-2306 01H        | <b>Survey Calculation Method:</b>   | Minimum Curvature         |
| <b>Wellbore:</b> | HZ                          |                                     |                           |
| <b>Design:</b>   | Plan #1                     |                                     |                           |

| Formations |                           |                           |                     |           |            |                         |
|------------|---------------------------|---------------------------|---------------------|-----------|------------|-------------------------|
|            | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Name                | Lithology | Dip<br>(°) | Dip<br>Direction<br>(°) |
|            | 1,389.0                   | 1,389.0                   | Ojo Alamo Ss.       |           | -0.40      |                         |
|            | 1,495.0                   | 1,495.0                   | Kirtland Shale      |           | -0.40      |                         |
|            | 1,671.0                   | 1,671.0                   | Fruitland Coal      |           | -0.40      |                         |
|            | 1,923.0                   | 1,923.0                   | Pictured Cliffs Ss. |           | -0.40      |                         |
|            | 2,040.0                   | 2,040.0                   | Lewis Shale         |           | -0.40      |                         |
|            | 2,746.0                   | 2,746.0                   | Cliffhouse Ss.      |           | -0.40      |                         |
|            | 3,472.0                   | 3,472.0                   | Menefee Fn.         |           | -0.40      |                         |
|            | 4,164.0                   | 4,164.0                   | Point Lookout Ss.   |           | -0.40      |                         |
|            | 4,360.0                   | 4,360.0                   | Mancos Shale        |           | -0.40      |                         |
|            | 4,994.7                   | 4,974.0                   | Mancos Silt         |           | -0.40      |                         |
|            | 5,361.0                   | 5,222.0                   | Gallup Fn.          |           | -0.40      |                         |
|            | 6,158.6                   | 5,465.0                   | Payzone Top         |           | -0.40      |                         |
|            | 6,334.2                   | 5,480.0                   | Horizontal Target   |           | -0.40      |                         |

# **EnCana Oil & Gas (USA) Inc**

**Sandoval County, NM**

**S26-T23N-R6W**

**Lybrook M26-2306 01H**

**HZ**

**Plan #1**

## **Anticollision Report**

**17 September, 2014**

# Anticollision Report

|                           |                            |                                     |                             |
|---------------------------|----------------------------|-------------------------------------|-----------------------------|
| <b>Company:</b>           | EnCana Oil & Gas (USA) Inc | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H   |
| <b>Project:</b>           | Sandoval County, NM        | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft           |
| <b>Reference Site:</b>    | S26-T23N-R6W               | <b>MD Reference:</b>                | 16' KB @ 6969.0ft           |
| <b>Site Error:</b>        | 0.0ft                      | <b>North Reference:</b>             | True                        |
| <b>Reference Well:</b>    | Lybrook M26-2306 01H       | <b>Survey Calculation Method:</b>   | Minimum Curvature           |
| <b>Well Error:</b>        | 0.0ft                      | <b>Output errors are at</b>         | 2.00 sigma                  |
| <b>Reference Wellbore</b> | HZ                         | <b>Database:</b>                    | USA EDM 5000 Multi Users DB |
| <b>Reference Design:</b>  | Plan #1                    | <b>Offset TVD Reference:</b>        | Offset Datum                |

|                                     |                                                                     |
|-------------------------------------|---------------------------------------------------------------------|
| <b>Reference</b>                    | Plan #1                                                             |
| <b>Filter type:</b>                 | NO GLOBAL FILTER: Using user defined selection & filtering criteria |
| <b>Interpolation Method:</b>        | MD Interval 100.0ft                                                 |
| <b>Depth Range:</b>                 | Unlimited                                                           |
| <b>Results Limited by:</b>          | Maximum center-center distance of 1,000.0ft                         |
| <b>Warning Levels Evaluated at:</b> | 2.00 Sigma                                                          |
| <b>Error Model:</b>                 | Systematic Ellipse                                                  |
| <b>Scan Method:</b>                 | Closest Approach 3D                                                 |
| <b>Error Surface:</b>               | Elliptical Conic                                                    |

|                            |                |                          |
|----------------------------|----------------|--------------------------|
| <b>Survey Tool Program</b> | Date           | 9/17/2014                |
| <b>From (ft)</b>           | <b>To (ft)</b> | <b>Survey (Wellbore)</b> |
| 0.0                        | 10,999.7       | Plan #1 (HZ)             |
|                            |                | <b>Tool Name</b>         |
|                            |                | Geolink MWD              |
|                            |                | <b>Description</b>       |
|                            |                | Geolink MWD              |

| Summary                             |                               |                            |                               |                                |                   |              |
|-------------------------------------|-------------------------------|----------------------------|-------------------------------|--------------------------------|-------------------|--------------|
| Site Name                           | Reference Measured Depth (ft) | Offset Measured Depth (ft) | Distance Between Centres (ft) | Distance Between Ellipses (ft) | Separation Factor | Warning      |
| Offset Well - Wellbore - Design     |                               |                            |                               |                                |                   |              |
| GCU                                 |                               |                            |                               |                                |                   |              |
| GCU M27-2306 01H - Hz - FINAL       |                               |                            |                               |                                |                   | Out of range |
| Lybrook                             |                               |                            |                               |                                |                   |              |
| Lybrook M27-2306 02H - Hz - FINAL   | 10,999.7                      | 6,027.0                    | 425.2                         | 285.0                          | 3.033             | CC, ES, SF   |
| Lybrook M27-2306 03H - Hz - Plan #1 |                               |                            |                               |                                |                   | Out of range |
| Lybrook M27-2306 04H - Hz - FINAL   |                               |                            |                               |                                |                   | Out of range |
| S26-T23N-R6W                        |                               |                            |                               |                                |                   |              |
| GCU E26-2306 03H - HZ - Plan #1     | 5,600.0                       | 7,143.3                    | 762.5                         | 724.3                          | 19.982            | SF           |
| GCU E26-2306 03H - HZ - Plan #1     | 5,844.6                       | 6,914.7                    | 718.2                         | 684.6                          | 21.362            | CC, ES       |
| Lybrook M26-2306 02H - HZ - Plan #1 | 4,500.0                       | 4,500.0                    | 30.1                          | 14.5                           | 1.924             | CC           |
| Lybrook M26-2306 02H - HZ - Plan #1 | 4,600.0                       | 4,600.0                    | 30.2                          | 14.2                           | 1.888             | ES, SF       |

# Anticollision Report

|                           |                            |                                     |                             |
|---------------------------|----------------------------|-------------------------------------|-----------------------------|
| <b>Company:</b>           | EnCana Oil & Gas (USA) Inc | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H   |
| <b>Project:</b>           | Sandoval County, NM        | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft           |
| <b>Reference Site:</b>    | S26-T23N-R6W               | <b>MD Reference:</b>                | 16' KB @ 6969.0ft           |
| <b>Site Error:</b>        | 0.0ft                      | <b>North Reference:</b>             | True                        |
| <b>Reference Well:</b>    | Lybrook M26-2306 01H       | <b>Survey Calculation Method:</b>   | Minimum Curvature           |
| <b>Well Error:</b>        | 0.0ft                      | <b>Output errors are at</b>         | 2.00 sigma                  |
| <b>Reference Wellbore</b> | HZ                         | <b>Database:</b>                    | USA EDM 5000 Multi Users DB |
| <b>Reference Design:</b>  | Plan #1                    | <b>Offset TVD Reference:</b>        | Offset Datum                |

| Offset Design Lybrook - Lybrook M27-2306 02H - Hz - FINAL |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                  |                  | Offset Site Error: | 0.0 ft |
|-----------------------------------------------------------|---------------------|---------------------|---------------------|----------------|-------------|-----------------------|-----------------------------------|------------|----------------------|-----------------------|------------------|------------------|--------------------|--------|
| Survey Program: 138-Geolink MWD                           |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                  |                  | Offset Well Error: | 0.0 ft |
| Reference                                                 | Offset              |                     | Semi Major Axis     |                | Distance    |                       | Total                             |            | Separation           |                       | Warning          |                  |                    |        |
| Measured Depth (ft)                                       | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference (ft) | Offset (ft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Uncertainty Axis | Factor           |                    |        |
| 10,400.0                                                  | 5,446.6             | 5,838.0             | 5,506.0             | 118.6          | 15.1        | -75.19                | 566.8                             | -5,581.2   | 912.8                | 789.4                 | 123.39           | 7.398            |                    |        |
| 10,500.0                                                  | 5,445.9             | 5,856.6             | 5,511.8             | 121.0          | 15.4        | -75.43                | 581.9                             | -5,590.5   | 826.3                | 700.3                 | 125.96           | 6.560            |                    |        |
| 10,600.0                                                  | 5,445.2             | 5,886.0             | 5,520.4             | 123.5          | 15.7        | -75.80                | 605.3                             | -5,605.9   | 741.4                | 612.8                 | 128.65           | 5.763            |                    |        |
| 10,700.0                                                  | 5,444.5             | 5,918.1             | 5,529.8             | 125.9          | 16.2        | -76.26                | 630.6                             | -5,623.5   | 658.2                | 526.8                 | 131.41           | 5.009            |                    |        |
| 10,800.0                                                  | 5,443.8             | 5,948.6             | 5,538.5             | 128.4          | 16.6        | -76.78                | 653.8                             | -5,641.1   | 577.2                | 443.0                 | 134.21           | 4.301            |                    |        |
| 10,900.0                                                  | 5,443.1             | 5,982.8             | 5,548.1             | 130.8          | 17.1        | -77.44                | 678.8                             | -5,662.3   | 499.3                | 362.2                 | 137.13           | 3.641            |                    |        |
| 10,999.7                                                  | 5,442.4             | 6,027.0             | 5,558.9             | 133.3          | 17.7        | -78.22                | 710.1                             | -5,691.7   | 425.2                | 285.0                 | 140.19           | 3.033 CC, ES, SF |                    |        |

# Anticollision Report

|                           |                            |                                     |                             |
|---------------------------|----------------------------|-------------------------------------|-----------------------------|
| <b>Company:</b>           | EnCana Oil & Gas (USA) Inc | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H   |
| <b>Project:</b>           | Sandoval County, NM        | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft           |
| <b>Reference Site:</b>    | S26-T23N-R6W               | <b>MD Reference:</b>                | 16' KB @ 6969.0ft           |
| <b>Site Error:</b>        | 0.0ft                      | <b>North Reference:</b>             | True                        |
| <b>Reference Well:</b>    | Lybrook M26-2306 01H       | <b>Survey Calculation Method:</b>   | Minimum Curvature           |
| <b>Well Error:</b>        | 0.0ft                      | <b>Output errors are at</b>         | 2.00 sigma                  |
| <b>Reference Wellbore</b> | HZ                         | <b>Database:</b>                    | USA EDM 5000 Multi Users DB |
| <b>Reference Design:</b>  | Plan #1                    | <b>Offset TVD Reference:</b>        | Offset Datum                |

| Offset Design S26-T23N-R6W - GCU E26-2306 03H - HZ - Plan #1 |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                  |               |  | Offset Site Error: | 0.0 ft |
|--------------------------------------------------------------|---------------------|---------------------|---------------------|----------------|-------------|-----------------------|-----------------------------------|------------|----------------------|-----------------------|------------------|---------------|--|--------------------|--------|
| Survey Program: 0-Geolink MWD                                |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                  |               |  | Offset Well Error: | 0.0 ft |
| Reference                                                    | Offset              | Semi Major Axis     |                     | Distance       |             | Total                 |                                   | Separation |                      | Warning               |                  |               |  |                    |        |
| Measured Depth (ft)                                          | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference (ft) | Offset (ft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Uncertainty Axis | Factor        |  |                    |        |
| 5,200.0                                                      | 5,128.2             | 7,449.8             | 5,612.3             | 10.2           | 30.2        | 85.68                 | 884.4                             | 600.0      | 981.7                | 941.4                 | 40.27            | 24.377        |  |                    |        |
| 5,300.0                                                      | 5,188.4             | 7,382.5             | 5,612.7             | 11.1           | 29.1        | 89.19                 | 932.1                             | 552.6      | 920.5                | 880.3                 | 40.13            | 22.936        |  |                    |        |
| 5,400.0                                                      | 5,236.9             | 7,308.9             | 5,613.2             | 12.1           | 28.0        | 92.87                 | 984.3                             | 500.7      | 860.5                | 820.5                 | 40.00            | 21.511        |  |                    |        |
| 5,500.0                                                      | 5,276.2             | 7,229.4             | 5,613.8             | 13.4           | 26.7        | 95.01                 | 1,040.7                           | 444.6      | 805.2                | 765.7                 | 39.49            | 20.388        |  |                    |        |
| 5,600.0                                                      | 5,313.5             | 7,143.3             | 5,614.4             | 14.7           | 25.5        | 96.33                 | 1,101.8                           | 383.8      | 762.5                | 724.3                 | 38.16            | 19.982 SF     |  |                    |        |
| 5,700.0                                                      | 5,348.2             | 7,052.0             | 5,615.0             | 16.1           | 24.2        | 97.26                 | 1,166.4                           | 319.5      | 733.8                | 697.1                 | 36.63            | 20.030        |  |                    |        |
| 5,800.0                                                      | 5,379.9             | 6,957.4             | 5,615.7             | 17.6           | 23.0        | 97.77                 | 1,233.5                           | 252.8      | 719.7                | 685.2                 | 34.54            | 20.836        |  |                    |        |
| 5,844.6                                                      | 5,392.8             | 6,914.7             | 5,616.0             | 18.3           | 22.6        | 97.86                 | 1,263.8                           | 222.6      | 718.2                | 684.6                 | 33.62            | 21.362 CC, ES |  |                    |        |
| 5,900.0                                                      | 5,407.7             | 6,861.4             | 5,616.4             | 19.1           | 22.0        | 97.86                 | 1,301.6                           | 185.0      | 720.5                | 687.9                 | 32.58            | 22.114        |  |                    |        |
| 6,000.0                                                      | 5,431.2             | 6,765.7             | 5,617.0             | 20.7           | 21.0        | 97.53                 | 1,369.4                           | 117.6      | 735.9                | 704.6                 | 31.23            | 23.564        |  |                    |        |
| 6,100.0                                                      | 5,450.0             | 6,672.3             | 5,617.7             | 22.4           | 20.2        | 96.79                 | 1,435.6                           | 51.7       | 765.1                | 734.1                 | 31.01            | 24.677        |  |                    |        |
| 6,200.0                                                      | 5,463.6             | 6,582.9             | 5,618.3             | 24.0           | 19.7        | 95.59                 | 1,499.0                           | -11.3      | 807.4                | 775.3                 | 32.04            | 25.197        |  |                    |        |
| 6,300.0                                                      | 5,471.8             | 6,499.4             | 5,618.9             | 25.6           | 19.3        | 93.82                 | 1,558.2                           | -70.2      | 861.4                | 827.6                 | 33.88            | 25.423        |  |                    |        |
| 6,400.0                                                      | 5,474.4             | 6,423.3             | 5,619.4             | 27.2           | 19.0        | 91.29                 | 1,612.2                           | -123.9     | 926.1                | 890.2                 | 35.92            | 25.781        |  |                    |        |
| 6,500.0                                                      | 5,473.8             | 6,381.2             | 5,619.1             | 28.8           | 19.0        | 90.94                 | 1,642.3                           | -153.2     | 997.3                | 958.9                 | 38.41            | 25.966        |  |                    |        |

# Anticollision Report

|                           |                            |                                     |                             |
|---------------------------|----------------------------|-------------------------------------|-----------------------------|
| <b>Company:</b>           | EnCana Oil & Gas (USA) Inc | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H   |
| <b>Project:</b>           | Sandoval County, NM        | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft           |
| <b>Reference Site:</b>    | S26-T23N-R6W               | <b>MD Reference:</b>                | 16' KB @ 6969.0ft           |
| <b>Site Error:</b>        | 0.0ft                      | <b>North Reference:</b>             | True                        |
| <b>Reference Well:</b>    | Lybrook M26-2306 01H       | <b>Survey Calculation Method:</b>   | Minimum Curvature           |
| <b>Well Error:</b>        | 0.0ft                      | <b>Output errors are at</b>         | 2.00 sigma                  |
| <b>Reference Wellbore</b> | HZ                         | <b>Database:</b>                    | USA EDM 5000 Multi Users DB |
| <b>Reference Design:</b>  | Plan #1                    | <b>Offset TVD Reference:</b>        | Offset Datum                |

| Offset Design S26-T23N-R6W - Lybrook M26-2306 02H - HZ - Plan #1 |                           |                           |                           |                   |                |                             |                                         |               |                            |                             |                              |                      |         | Offset Site Error: | 0.0 ft |
|------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|-------------------|----------------|-----------------------------|-----------------------------------------|---------------|----------------------------|-----------------------------|------------------------------|----------------------|---------|--------------------|--------|
| Survey Program: 0-Geolink MWD                                    |                           |                           |                           |                   |                |                             |                                         |               |                            |                             |                              |                      |         | Offset Well Error: | 0.0 ft |
| Reference                                                        |                           | Offset                    |                           | Semi Major Axis   |                | Highside<br>Toolface<br>(°) | Distance                                |               | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Total<br>Uncertainty<br>Axis | Separation<br>Factor | Warning |                    |        |
| Measured<br>Depth<br>(ft)                                        | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference<br>(ft) | Offset<br>(ft) |                             | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) |                            |                             |                              |                      |         |                    |        |
| 0.0                                                              | 0.0                       | 0.0                       | 0.0                       | 0.0               | 0.0            | 151.94                      | -26.6                                   | 14.2          | 30.1                       |                             |                              |                      |         |                    |        |
| 100.0                                                            | 100.0                     | 100.0                     | 100.0                     | 0.1               | 0.1            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 29.8                        | 0.29                         | 102.710              |         |                    |        |
| 200.0                                                            | 200.0                     | 200.0                     | 200.0                     | 0.3               | 0.3            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 29.5                        | 0.64                         | 46.889               |         |                    |        |
| 300.0                                                            | 300.0                     | 300.0                     | 300.0                     | 0.5               | 0.5            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 29.1                        | 0.99                         | 30.379               |         |                    |        |
| 400.0                                                            | 400.0                     | 400.0                     | 400.0                     | 0.7               | 0.7            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 28.8                        | 1.34                         | 22.468               |         |                    |        |
| 500.0                                                            | 500.0                     | 500.0                     | 500.0                     | 0.8               | 0.8            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 28.4                        | 1.69                         | 17.826               |         |                    |        |
| 600.0                                                            | 600.0                     | 600.0                     | 600.0                     | 1.0               | 1.0            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 28.1                        | 2.04                         | 14.773               |         |                    |        |
| 700.0                                                            | 700.0                     | 700.0                     | 700.0                     | 1.2               | 1.2            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 27.7                        | 2.39                         | 12.613               |         |                    |        |
| 800.0                                                            | 800.0                     | 800.0                     | 800.0                     | 1.4               | 1.4            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 27.4                        | 2.74                         | 11.005               |         |                    |        |
| 900.0                                                            | 900.0                     | 900.0                     | 900.0                     | 1.5               | 1.5            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 27.0                        | 3.09                         | 9.760                |         |                    |        |
| 1,000.0                                                          | 1,000.0                   | 1,000.0                   | 1,000.0                   | 1.7               | 1.7            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 26.7                        | 3.43                         | 8.768                |         |                    |        |
| 1,100.0                                                          | 1,100.0                   | 1,100.0                   | 1,100.0                   | 1.9               | 1.9            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 26.3                        | 3.78                         | 7.959                |         |                    |        |
| 1,200.0                                                          | 1,200.0                   | 1,200.0                   | 1,200.0                   | 2.1               | 2.1            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 26.0                        | 4.13                         | 7.287                |         |                    |        |
| 1,300.0                                                          | 1,300.0                   | 1,300.0                   | 1,300.0                   | 2.2               | 2.2            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 25.6                        | 4.48                         | 6.719                |         |                    |        |
| 1,400.0                                                          | 1,400.0                   | 1,400.0                   | 1,400.0                   | 2.4               | 2.4            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 25.3                        | 4.83                         | 6.234                |         |                    |        |
| 1,500.0                                                          | 1,500.0                   | 1,500.0                   | 1,500.0                   | 2.6               | 2.6            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 24.9                        | 5.18                         | 5.814                |         |                    |        |
| 1,600.0                                                          | 1,600.0                   | 1,600.0                   | 1,600.0                   | 2.8               | 2.8            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 24.6                        | 5.53                         | 5.447                |         |                    |        |
| 1,700.0                                                          | 1,700.0                   | 1,700.0                   | 1,700.0                   | 2.9               | 2.9            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 24.2                        | 5.88                         | 5.123                |         |                    |        |
| 1,800.0                                                          | 1,800.0                   | 1,800.0                   | 1,800.0                   | 3.1               | 3.1            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 23.9                        | 6.23                         | 4.836                |         |                    |        |
| 1,900.0                                                          | 1,900.0                   | 1,900.0                   | 1,900.0                   | 3.3               | 3.3            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 23.5                        | 6.58                         | 4.579                |         |                    |        |
| 2,000.0                                                          | 2,000.0                   | 2,000.0                   | 2,000.0                   | 3.5               | 3.5            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 23.2                        | 6.93                         | 4.349                |         |                    |        |
| 2,100.0                                                          | 2,100.0                   | 2,100.0                   | 2,100.0                   | 3.6               | 3.6            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 22.8                        | 7.27                         | 4.140                |         |                    |        |
| 2,200.0                                                          | 2,200.0                   | 2,200.0                   | 2,200.0                   | 3.8               | 3.8            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 22.5                        | 7.62                         | 3.950                |         |                    |        |
| 2,300.0                                                          | 2,300.0                   | 2,300.0                   | 2,300.0                   | 4.0               | 4.0            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 22.1                        | 7.97                         | 3.777                |         |                    |        |
| 2,400.0                                                          | 2,400.0                   | 2,400.0                   | 2,400.0                   | 4.2               | 4.2            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 21.8                        | 8.32                         | 3.619                |         |                    |        |
| 2,500.0                                                          | 2,500.0                   | 2,500.0                   | 2,500.0                   | 4.3               | 4.3            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 21.4                        | 8.67                         | 3.473                |         |                    |        |
| 2,600.0                                                          | 2,600.0                   | 2,600.0                   | 2,600.0                   | 4.5               | 4.5            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 21.1                        | 9.02                         | 3.339                |         |                    |        |
| 2,700.0                                                          | 2,700.0                   | 2,700.0                   | 2,700.0                   | 4.7               | 4.7            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 20.7                        | 9.37                         | 3.214                |         |                    |        |
| 2,800.0                                                          | 2,800.0                   | 2,800.0                   | 2,800.0                   | 4.9               | 4.9            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 20.4                        | 9.72                         | 3.099                |         |                    |        |
| 2,900.0                                                          | 2,900.0                   | 2,900.0                   | 2,900.0                   | 5.0               | 5.0            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 20.0                        | 10.07                        | 2.992                |         |                    |        |
| 3,000.0                                                          | 3,000.0                   | 3,000.0                   | 3,000.0                   | 5.2               | 5.2            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 19.7                        | 10.42                        | 2.891                |         |                    |        |
| 3,100.0                                                          | 3,100.0                   | 3,100.0                   | 3,100.0                   | 5.4               | 5.4            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 19.4                        | 10.77                        | 2.798                |         |                    |        |
| 3,200.0                                                          | 3,200.0                   | 3,200.0                   | 3,200.0                   | 5.6               | 5.6            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 19.0                        | 11.11                        | 2.710                |         |                    |        |
| 3,300.0                                                          | 3,300.0                   | 3,300.0                   | 3,300.0                   | 5.7               | 5.7            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 18.7                        | 11.46                        | 2.627                |         |                    |        |
| 3,400.0                                                          | 3,400.0                   | 3,400.0                   | 3,400.0                   | 5.9               | 5.9            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 18.3                        | 11.81                        | 2.550                |         |                    |        |
| 3,500.0                                                          | 3,500.0                   | 3,500.0                   | 3,500.0                   | 6.1               | 6.1            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 18.0                        | 12.16                        | 2.476                |         |                    |        |
| 3,600.0                                                          | 3,600.0                   | 3,600.0                   | 3,600.0                   | 6.3               | 6.3            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 17.6                        | 12.51                        | 2.407                |         |                    |        |
| 3,700.0                                                          | 3,700.0                   | 3,700.0                   | 3,700.0                   | 6.4               | 6.4            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 17.3                        | 12.86                        | 2.342                |         |                    |        |
| 3,800.0                                                          | 3,800.0                   | 3,800.0                   | 3,800.0                   | 6.6               | 6.6            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 16.9                        | 13.21                        | 2.280                |         |                    |        |
| 3,900.0                                                          | 3,900.0                   | 3,900.0                   | 3,900.0                   | 6.8               | 6.8            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 16.6                        | 13.56                        | 2.221                |         |                    |        |
| 4,000.0                                                          | 4,000.0                   | 4,000.0                   | 4,000.0                   | 7.0               | 7.0            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 16.2                        | 13.91                        | 2.166                |         |                    |        |
| 4,100.0                                                          | 4,100.0                   | 4,100.0                   | 4,100.0                   | 7.1               | 7.1            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 15.9                        | 14.26                        | 2.113                |         |                    |        |
| 4,200.0                                                          | 4,200.0                   | 4,200.0                   | 4,200.0                   | 7.3               | 7.3            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 15.5                        | 14.60                        | 2.062                |         |                    |        |
| 4,300.0                                                          | 4,300.0                   | 4,300.0                   | 4,300.0                   | 7.5               | 7.5            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 15.2                        | 14.95                        | 2.014                |         |                    |        |
| 4,400.0                                                          | 4,400.0                   | 4,400.0                   | 4,400.0                   | 7.7               | 7.7            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 14.8                        | 15.30                        | 1.968                |         |                    |        |
| 4,500.0                                                          | 4,500.0                   | 4,500.0                   | 4,500.0                   | 7.8               | 7.8            | 151.94                      | -26.6                                   | 14.2          | 30.1                       | 14.5                        | 15.65                        | 1.924 CC             |         |                    |        |
| 4,562.1                                                          | 4,562.1                   | 4,562.1                   | 4,562.1                   | 7.9               | 7.9            | 163.97                      | -26.6                                   | 14.2          | 30.4                       | 14.6                        | 15.87                        | 1.917                |         |                    |        |
| 4,600.0                                                          | 4,600.0                   | 4,600.0                   | 4,600.0                   | 8.0               | 8.0            | 163.85                      | -26.6                                   | 14.2          | 30.2                       | 14.2                        | 16.00                        | 1.888 ES, SF         |         |                    |        |
| 4,700.0                                                          | 4,699.5                   | 4,699.4                   | 4,699.4                   | 8.2               | 8.2            | 167.53                      | -26.7                                   | 14.0          | 38.6                       | 22.4                        | 16.22                        | 2.380                |         |                    |        |
| 4,800.0                                                          | 4,796.9                   | 4,793.8                   | 4,793.4                   | 8.4               | 8.3            | 179.51                      | -31.2                                   | 7.1           | 63.3                       | 47.0                        | 16.22                        | 3.901                |         |                    |        |
| 4,900.0                                                          | 4,890.2                   | 4,877.8                   | 4,875.4                   | 8.6               | 8.5            | -169.86                     | -40.9                                   | -7.7          | 107.6                      | 91.6                        | 16.03                        | 6.710                |         |                    |        |
| 5,000.0                                                          | 4,977.6                   | 4,950.0                   | 4,943.9                   | 9.0               | 8.7            | -162.44                     | -53.5                                   | -26.8         | 169.7                      | 153.9                       | 15.77                        | 10.757               |         |                    |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

# Anticollision Report

|                           |                            |                                     |                             |
|---------------------------|----------------------------|-------------------------------------|-----------------------------|
| <b>Company:</b>           | EnCana Oil & Gas (USA) Inc | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H   |
| <b>Project:</b>           | Sandoval County, NM        | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft           |
| <b>Reference Site:</b>    | S26-T23N-R6W               | <b>MD Reference:</b>                | 16' KB @ 6969.0ft           |
| <b>Site Error:</b>        | 0.0ft                      | <b>North Reference:</b>             | True                        |
| <b>Reference Well:</b>    | Lybrook M26-2306 01H       | <b>Survey Calculation Method:</b>   | Minimum Curvature           |
| <b>Well Error:</b>        | 0.0ft                      | <b>Output errors are at</b>         | 2.00 sigma                  |
| <b>Reference Wellbore</b> | HZ                         | <b>Database:</b>                    | USA EDM 5000 Multi Users DB |
| <b>Reference Design:</b>  | Plan #1                    | <b>Offset TVD Reference:</b>        | Offset Datum                |

| Offset Design S26-T23N-R6W - Lybrook M26-2306 02H - HZ - Plan #1 |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                        |                   | Offset Site Error: | 0.0 ft |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|----------------|-------------|-----------------------|-----------------------------------|------------|----------------------|-----------------------|------------------------|-------------------|--------------------|--------|
| Survey Program: 0-Geolink MWD                                    |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                        |                   | Offset Well Error: | 0.0 ft |
| Reference                                                        |                     |                     |                     | Offset         |             |                       | Semi Major Axis                   |            | Distance             |                       |                        |                   | Warning            |        |
| Measured Depth (ft)                                              | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference (ft) | Offset (ft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Total Uncertainty Axis | Separation Factor |                    |        |
| 5,100.0                                                          | 5,057.5             | 5,000.0             | 4,989.8             | 9.5            | 8.8         | -156.64               | -64.3                             | -43.4      | 245.5                | 230.0                 | 15.52                  | 15.826            |                    |        |
| 5,200.0                                                          | 5,128.2             | 5,043.6             | 5,028.6             | 10.2           | 9.0         | -149.66               | -75.2                             | -59.9      | 331.3                | 315.8                 | 15.56                  | 21.294            |                    |        |
| 5,300.0                                                          | 5,188.4             | 5,072.0             | 5,053.2             | 11.1           | 9.1         | -139.02               | -82.9                             | -71.8      | 423.9                | 407.4                 | 16.48                  | 25.713            |                    |        |
| 5,400.0                                                          | 5,236.9             | 5,089.4             | 5,068.0             | 12.1           | 9.1         | -118.20               | -88.0                             | -79.4      | 520.4                | 501.0                 | 19.41                  | 26.815            |                    |        |
| 5,500.0                                                          | 5,276.2             | 5,100.0             | 5,076.9             | 13.4           | 9.2         | -100.68               | -91.1                             | -84.3      | 617.9                | 596.0                 | 21.88                  | 28.233            |                    |        |
| 5,600.0                                                          | 5,313.5             | 5,114.9             | 5,089.3             | 14.7           | 9.3         | -93.69                | -95.7                             | -91.2      | 712.6                | 689.3                 | 23.32                  | 30.564            |                    |        |
| 5,700.0                                                          | 5,348.2             | 5,131.8             | 5,103.1             | 16.1           | 9.4         | -88.93                | -101.0                            | -99.3      | 803.8                | 779.3                 | 24.55                  | 32.743            |                    |        |
| 5,800.0                                                          | 5,379.9             | 5,150.0             | 5,117.7             | 17.6           | 9.4         | -85.28                | -107.0                            | -108.4     | 890.8                | 865.1                 | 25.66                  | 34.719            |                    |        |
| 5,900.0                                                          | 5,407.7             | 5,174.3             | 5,136.8             | 19.1           | 9.6         | -82.77                | -115.3                            | -121.0     | 972.8                | 946.1                 | 26.68                  | 36.463            |                    |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

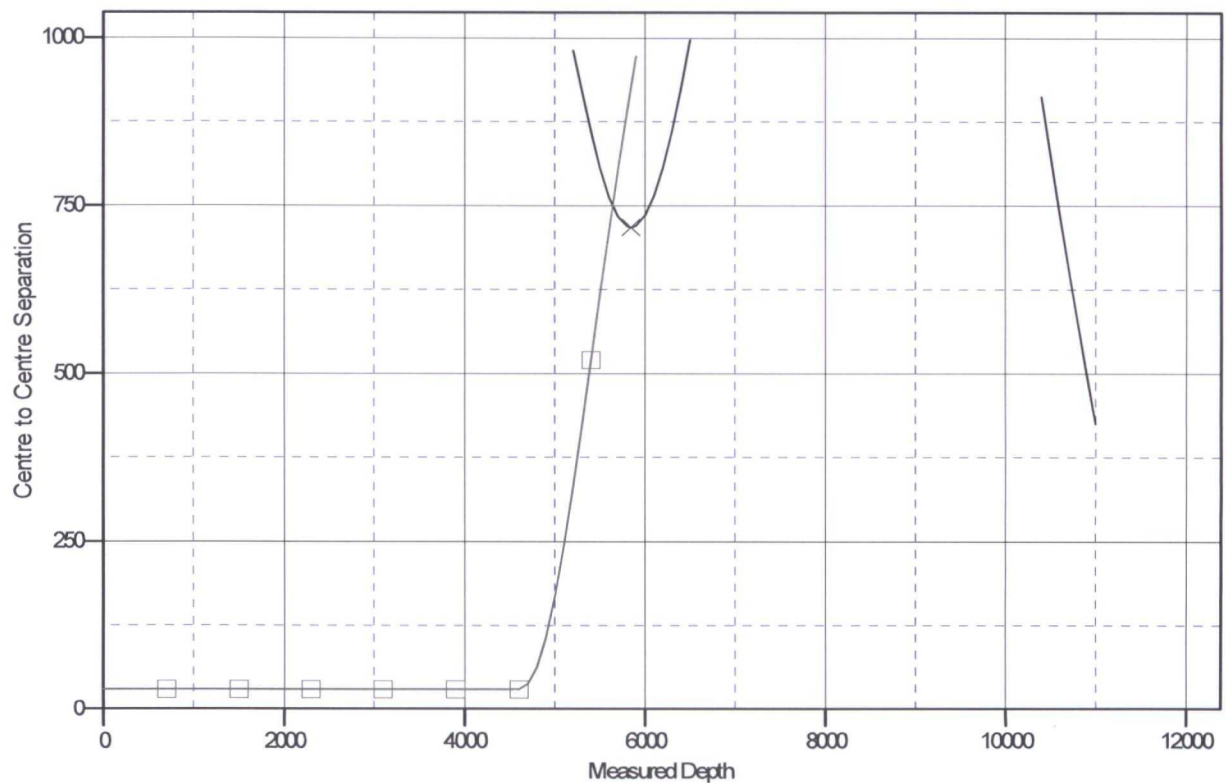
## Anticollision Report

|                           |                            |                                     |                             |
|---------------------------|----------------------------|-------------------------------------|-----------------------------|
| <b>Company:</b>           | EnCana Oil & Gas (USA) Inc | <b>Local Co-ordinate Reference:</b> | Well Lybrook M26-2306 01H   |
| <b>Project:</b>           | Sandoval County, NM        | <b>TVD Reference:</b>               | 16' KB @ 6969.0ft           |
| <b>Reference Site:</b>    | S26-T23N-R6W               | <b>MD Reference:</b>                | 16' KB @ 6969.0ft           |
| <b>Site Error:</b>        | 0.0ft                      | <b>North Reference:</b>             | True                        |
| <b>Reference Well:</b>    | Lybrook M26-2306 01H       | <b>Survey Calculation Method:</b>   | Minimum Curvature           |
| <b>Well Error:</b>        | 0.0ft                      | <b>Output errors are at</b>         | 2.00 sigma                  |
| <b>Reference Wellbore</b> | HZ                         | <b>Database:</b>                    | USA EDM 5000 Multi Users DB |
| <b>Reference Design:</b>  | Plan #1                    | <b>Offset TVD Reference:</b>        | Offset Datum                |

Reference Depths are relative to 16' KB @ 6969.0ft  
 Offset Depths are relative to Offset Datum  
 Central Meridian is -106.250000 °

Coordinates are relative to: Lybrook M26-2306 01H  
 Coordinate System is US State Plane 1983, New Mexico Central Zone  
 Grid Convergence at Surface is: -0.71°

### Ladder Plot



### LEGEND

Lybrook M27-2306 02H, Hz, FINAL V0
  GCUE26-2306 03H, Hz, Plan #1 V0
  Lybrook M26-2306 02H, Hz, Plan #1 V0

**Lybrook M26-2306 01H**

**SHL: SWSW Section 26, T23N, R6W  
1028 FSL and 459 FWL**

**BHL: NWSW Section 27, T23N, R6W  
1980 FSL and 330 FWL**

**Sandoval County, New Mexico**

**Lease Number: NMNM 117564**

Topsoil will be stockpiled separate from subsoil with a noticeable gap left between the stockpiles. Vehicle/equipment traffic will be prevented from crossing topsoil stockpiles.

Topsoil will not be stripped when soils are moisture-saturated or frozen below the stripping depth.

If the location becomes prone to wind or water erosion, Encana will take appropriate measures to prevent topsoil loss from wind. Such measures may include using tackifiers or water to wet the topsoil stockpile so that a crust is created across the exposed soil to prevent soil loss.

3. All construction materials for the well pad will consist of native borrow and subsoil accumulated during well pad construction. If additional fill or surfacing material is required, it will be obtained from existing permitted or private sources and will be hauled in by trucks over existing access roads.

The maximum cut will be approximately 14.2 feet on the corner 2 and the maximum fill will be approximately 12.6 feet on corner 6.

4. As determined during the onsite on July 24, 2014, the following best management practices will be implemented:
  - a. Water will be diverted around the pad from corner 2 into a newly constructed silt trap near corner 1. Water will be diverted around the pad from corner 2 toward corner 3.
  - b. One silt trap will be installed in EOD at corner 1.
5. Construction equipment may include chain saws, a brush hog, scraper, maintainer, excavator, and dozer. Construction for the access road and well pad will take approximately 2 to 4 weeks.

**C. Pipeline**

See Standard SF-299 Application for authorization to construct, operate, maintain and terminate a 482 foot, up to 6-inch outside diameter, buried steel well connect pipeline that was submitted to the Bureau of Land Management on June 27, 2014.

**7. METHODS FOR HANDLING WASTE**

**A. Cuttings**

1. A closed-loop system will be used. Cuttings will be moved through a shaker system on the drill rig that separates drilling fluids from the cuttings. Cuttings will be stored onsite in above-ground storage tanks. Cuttings will be pulled from the storage tanks, mixed with saw dust or similar absorbent material, and disposed of at the Envirotech, Inc. and/or Industrial Ecosystem, Inc. waste disposal facilities.
2. The closed-loop system storage tanks will be adequately sized to ensure confinement of all fluids and will provide sufficient freeboard to prevent uncontrolled releases.
3. A 20-mil liner will be installed under tanks, pumps, ancillary facilities, and truck loading/unloading areas associated with the closed-loop system.

**B. Drilling Fluids**

1. A closed-loop system will be used. Drilling fluids will be stored onsite in above-ground storage tanks. Upon termination of drilling operations, the drilling fluids will be recycled and transferred to other permitted closed-loop systems or returned to the vendor for reuse, as

**ENCANA OIL & GAS (USA) INC.**

LYBROOK M26-2306 #01H

1028' FSL & 459' FWL

LOCATED IN THE SW/4 SW/4 OF SECTION 26, T23N, R6W, N.M.P.M.,  
SANDOVAL COUNTY, NEW MEXICO

**DIRECTIONS**

- 1) FROM THE INTERSECTION OF HWY 64 & HWY 550 IN BLOOMFIELD, GO SOUTH ON HWY 550, 54.5 MILES TO INDIAN SERVICE ROAD 471 (M.P. 97.1) .
- 2) TURN RIGHT ONTO ISR 471 AND GO 2.0 MILES TO ACCESS ROAD ON LEFT.
- 3) FOLLOW ACCESS ROAD 0.1 MILE TO STAKED ACCESS.

WELL FLAG LOCATED AT LAT. 36.191825° N, LONG. 107.445114° W (NAD 83).

JOB No.: ENC309  
DATE: 06/17/2014  
DRAWN BY: TWT



**Scorpion Survey & Consulting, L.L.C.**  
302 S. Ash  
Aztec, New Mexico 87410  
(505) 334-4007

# WELLHEAD BLOWOUT CONTROL SYSTEM

## encana

Well Name and Number:  
Lybrook M26-2306 01H

