

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 Gallo Canyon Unit D22 2306 #3H

API# 30-043-21256, Section 22, 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.

*\*APD held for name change see Sunday*

NMOCD Approved by Signature

2-13-2015  
Date *XC*

JUN 12 2015

RECEIVED

Form 3160-3  
(March 2012)

FEB 06 2015

FORM APPROVED  
OMB No. 1004-0137  
Expires October 31, 2014

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **NMNM17009**  
Gallo Canyon Unit NMNM 131017X

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

7. If Unit or CA Agreement, Name and No.  
Gallo Canyon Unit NMNM 131017X

8. Lease Name and Well No.  
Gallo Canyon Unit D22-2306 03H

1a. Type of work:  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator Encana Oil & Gas (USA) Inc.

9. API Well No.  
**30-043-21256**

3a. Address 370 17th Street, Suite 1700  
Denver, CO 80202

3b. Phone No. (include area code)  
720-876-3740

10. Field and Pool, or Exploratory  
Counselors Gallup-Dakota

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface **D** 1045' FNL and 649' FWL Section 22, T23N, R6W **NWNW**

At proposed prod. zone **N** 330' FSL and 2380' FWL Section 22, T23N, R6W **SESW**

11. Sec., T. R. M. or Blk. and Survey or Area  
Section 22, T23N, R6W NMPM

14. Distance in miles and direction from nearest town or post office\*  
+/- 55 miles South from intersection of US Hwy 550 and US Hwy 64 in Bloomfield, NM

12. County or Parish  
Sandoval

13. State  
NM

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
BHL is 330' FSL Section 22, T23N, R6W

16. No. of acres in lease  
NMNM 131017X- 5,120 acres

17. Spacing Unit dedicated to this well  
5,120 acres- Sections 22-26 and 33-36, T23N, R6W

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
SHL is +/-30' N from Lybrook D22-2306 02H

19. Proposed Depth  
5,552' TVD; 9,263' MD

20. BLM/BIA Bond No. on file  
COB-000235

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
6,986' GL; 7,002' KB

22. Approximate date work will start\*  
07/01/2015

23. Estimated duration  
20 days

24. Attachments

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

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

25. Signature *Rosalie Thim*  
Title  
Regulatory Analyst

Name (Printed/Typed)  
Rosalie Thim

Date  
02/05/2015

Approved by (Signature) *D. Mankiewicz*  
Title  
AFM

Name (Printed/Typed)  
Office  
FFO

Date  
6/10/15

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)

NMCOOAV

DRILLING OPERATIONS  
AUTHORIZED ARE SUBJECT TO  
COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"

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)  
This action is subject to technical  
and procedural review pursuant to  
43 CFR 3165.3 and appeal  
pursuant to 43 CFR 3165.4



**DISTRICT I**  
1625 N. French Dr., Hobbs, N.M. 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, N.M. 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**DISTRICT III**  
1000 Rio Brasos Rd., Artec, N.M. 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Submit one copy to appropriate  
District Office

FEB 06 2015

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-043-21256		<sup>2</sup> Pool Code 13379	<sup>3</sup> Pool Name COUNSELORS GALLUP-DAKOTA
<sup>4</sup> Property Code 315083	<sup>5</sup> Property Name GALLO CANYON UNIT-D22-2306-		<sup>6</sup> Well Number 106H-03H
<sup>7</sup> OGRID No. 282327	<sup>8</sup> Operator Name ENCANA OIL & GAS (USA) INC.		<sup>9</sup> Elevation 6985.9

<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
D	22	23N	6W		1045'	NORTH	649'	WEST	SANDOVAL

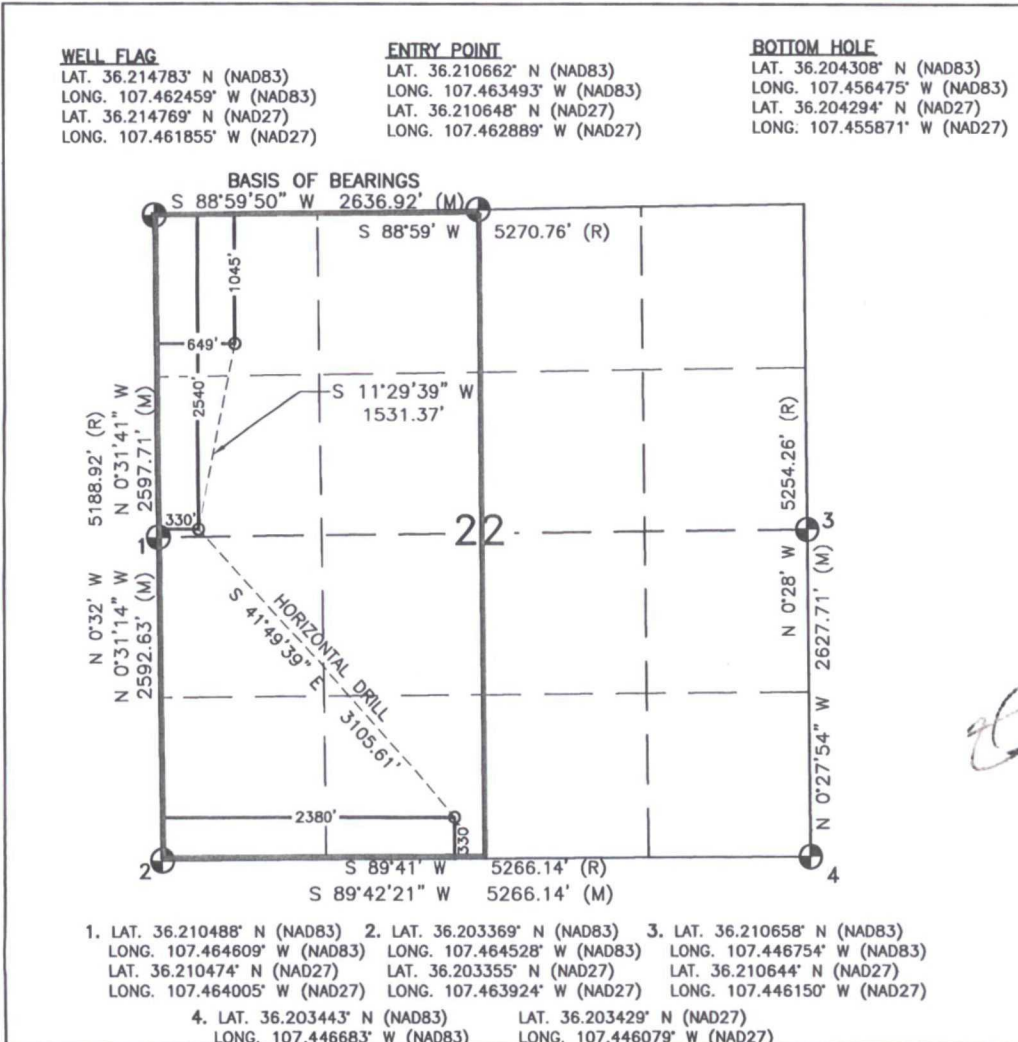
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	23N	6W		330'	SOUTH	2380'	WEST	SANDOVAL

<sup>12</sup> Dedicated Acres PROJECT AREA PENETRATED SPACING UNITS: E/2 of SEC. 22, 320 Acres 5,120 ACRES - ALL OF SEC 22-26; 34-36 T23N R6W - UNDIVIDED UNIT	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-13718-A (5,120 acres)
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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

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**17 OPERATOR CERTIFICATION**  
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.

*Rosalie Thim* 02/05/15  
Signature Date

Rosalie Thim  
Printed Name  
rosalie.thim@encana.com  
E-mail Address

**SURVEYOR CERTIFICATION**  
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.

MARCH 24, 2014  
Date of Survey

Signature and Seal of Professional Surveyor:  
*David Russell*  
REGISTERED PROFESSIONAL LAND SURVEYOR  
NEW MEXICO  
10201  
DAVID RUSSELL  
Certificate Number 10201

**DISTRICT I**  
 1625 N. French Dr., Hobbs, N.M. 88240  
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State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised August 1, 2011

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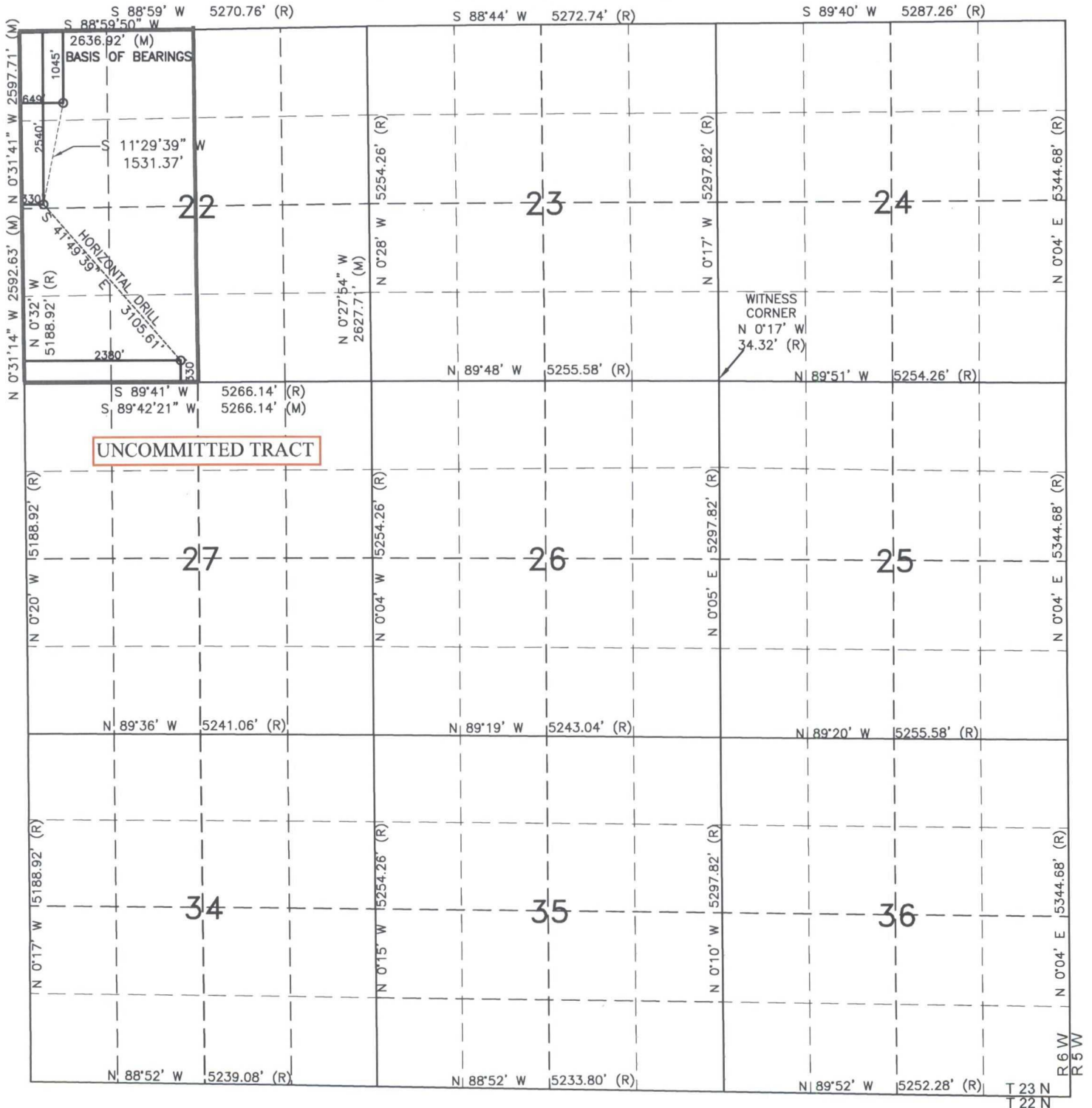
**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, N.M. 87410  
 Phone: (505) 334-6178 Fax: (505) 334-6170

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

AMENDED REPORT

**DISTRICT IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 476-3480 Fax: (505) 476-3482

ENCANA OIL & GAS (USA) INC.  
 GALLO CANYON UNIT D22-2306 #03H



**WELL FLAG**  
 LAT. 36.214783° N (NAD83)  
 LONG. 107.462459° W (NAD83)  
 LAT. 36.214769° N (NAD27)  
 LONG. 107.461855° W (NAD27)

**ENTRY POINT**  
 LAT. 36.210662° N (NAD83)  
 LONG. 107.463493° W (NAD83)  
 LAT. 36.210648° N (NAD27)  
 LONG. 107.462889° W (NAD27)

**BOTTOM HOLE**  
 LAT. 36.204308° N (NAD83)  
 LONG. 107.456475° W (NAD83)  
 LAT. 36.204294° N (NAD27)  
 LONG. 107.455871° W (NAD27)



GCU D22-2306 03H

SHL: 1045' FNL, 649' FWL Sec 22 T23N R06W

BHL: 330' FSL, 2380' FWL Sec 22 T23N R06W

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.	1,487
Kirtland Shale	1,668
Fruitland Coal	1,831
Pictured Cliffs Ss.	2,054
Lewis Shale	2,183
Cliffhouse Ss.	2,875
Menefee Fn.	3,596
Point Lookout Ss.	4,311
Mancos Shale	4,520
Mancos Silt	5,107
Gallup Fn.	5,339
Base Gallup	5,661

The referenced surface elevation is 6986', KB 7002'

**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	1,831
Oil/Gas	Pictured Cliffs Ss.	2,054
Oil/Gas	Cliffhouse Ss.	2,875
Gas	Menefee Fn.	3,596
Oil/Gas	Point Lookout Ss.	4,311
Oil/Gas	Mancos Shale	4,520
Oil/Gas	Mancos Silt	5,107
Oil/Gas	Gallup Fn.	5,339

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

**GCU D22-2306 03H**

**SHL: 1045' FNL, 649' FWL Sec 22 T23N R06W**

**BHL: 330' FSL, 2380' FWL Sec 22 T23N R06W**

**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'-5769'	8 3/4"	7"	26#	J55, LTC New
Production Liner	5669'-9263'	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



**GCU D22-2306 03H**

**SHL: 1045' FNL, 649' FWL Sec 22 T23N R06W**

**BHL: 330' FSL, 2380' FWL Sec 22 T23N R06W**

**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

Casing	Depth (MD)	Cement Volume (sacks)	Cement Type & Yield	Designed TOC	Centralizers
Conductor	0'-60'	100 sks	Type I Neat 16 ppg	Surface	None
Surface	0'-500'	276 sks	Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52A + 58.9% Fresh Water	Surface	1 per joint on bottom 3 joints
Intermediate	0'-5769'	100% open hole excess Stage 1 Lead: 768 sks Stage 1 Tail: 578 sks	Lead: PremLite + 3% CaCl + 0.25lb/sk CelloFlake + 5lb/sk LCM, 12.1ppg 2.13cuft/sk Tail: Type III Cmt + 1% CaCl + 0.25lb/sk Cello Flake 14.5ppg 1.38cuft/sk	Surface	1 every 3 joints through water bearing zones
Production Liner	5669'-9263'	50% OH excess Stage 1 Blend Total: 208sks	Blend: Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwoc 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	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 2000'. Directional plans are attached.

Description	Proposed Depth (TVD/MD)	Formation
Horizontal Lateral TD	5552'/9263'	Gallup

GCU D22-2306 03H

SHL: 1045' FNL, 649' FWL Sec 22 T23N R06W

BHL: 330' FSL, 2380' FWL Sec 22 T23N R06W

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'-5465'/5769'	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"	5465'/5769'- 5552'/9263'	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 +/- 2615 psi based on a 9.0 ppg at 5587' 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.



MWD LWD		OPEN HOLE LOGGING	FORM	DEPTH		HOLE SIZE	CASING SPECS	MW MUD TYPE	DEVIATION INFORMATION
				TVD	MD				
				60	60'				
			San Jose Fn.	0		26	16" 42.09# 100sx Type I Neat 16.0ppg cmt	Fresh wtr 8.3-9.2	
Multi-Well pad take survey every stand and run anti-collision report prior to spud		None	Nacimiento Fn. 9 5/8" Csg	surface 500	500.00	12 1/4	9 5/8" 36ppf J55 STC 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 8.3-10	Vertical <1°
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. Kirtland Shale Fruitland Coal Pictured Cliffs Ss. Lewis Shale Cliffhouse Ss. Menefee Fn. Point Lookout Ss. Mancos Shale	1,487 1,668 1,831 2,054 2,183 2,875 3,596 4,311 4,520		8 3/4	7" 26ppf J55 LTC TOC @ surface (100% OH excess - 70% Lead 30% Tail) Stage 1 Total: 1347sks  Stage 1 Lead: 768 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.  Stage 1 Tail: 578 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.	Fresh Wtr 8.3-10	Vertical <1°
Surveys every 30' through the curve		Mud logger onsite	KOP Mancos Silt Gallup Fn. 7" Csg	2,000 5,107 5,339 5,465	2,000				
Surveys every stand to TD unless directed otherwise by Geologist		No OH Logs	Horizontal Target TD Base Gallup	5,587 5,552 5,661	9,263	6 1/8	100' overlap at liner top 3493' Drilled Lateral		Horz Inc/TVD 90.5deg/5587ft TD = 9262.7 MD
MWD Gamma Directional							4 1/2" 11.6ppf SB80 LTC TOC @ hanger (50% OH excess) Stage 1 Total: 208sks  Stage 1 Blend: 208 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 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 2000', 8 3/4 inch holesize
- 5) Start curve at 10deg/100' build rate
- 6) Drill to csg point of 5769' MD
- 7) R&C 7" csg, circ cmt to surface
- 8) Land at ~90 deg, drill lateral to 9263' run 4 1/2 inch cemented liner

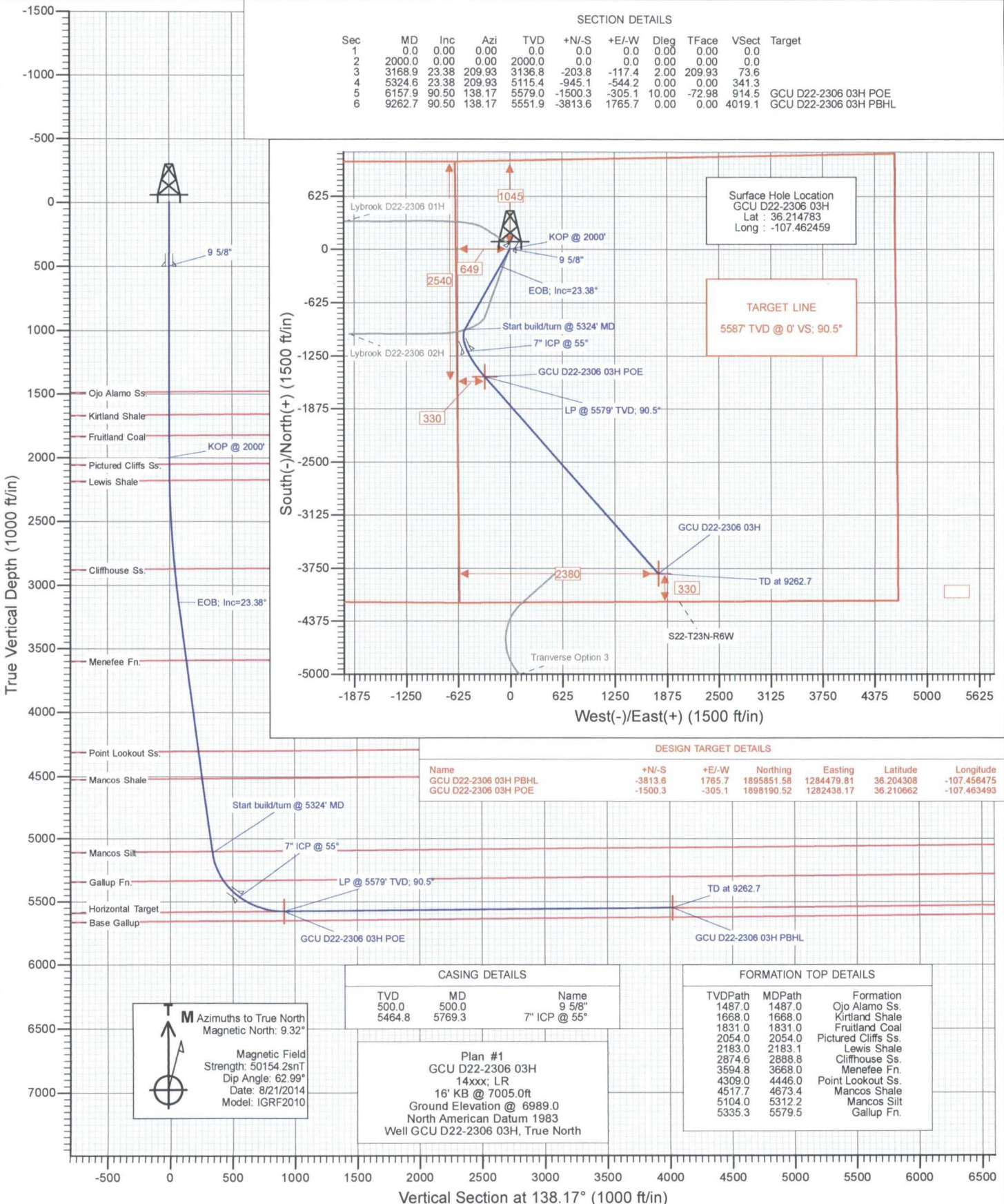


Project: Sandoval County, NM  
 Site: S22-T23N-R6W  
 Well: GCU D22-2306 03H  
 Wellbore: HZ  
 Design: Plan #1



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	2000.0	0.00	0.00	2000.0	0.0	0.0	0.00	0.00	0.0	
3	3168.9	23.38	209.93	3136.8	-203.8	-117.4	2.00	209.93	73.6	
4	5324.6	23.38	209.93	5115.4	-945.1	-544.2	0.00	0.00	341.3	
5	6157.9	90.50	138.17	5579.0	-1500.3	-305.1	10.00	-72.98	914.5	GCU D22-2306 03H POE
6	9262.7	90.50	138.17	5551.9	-3813.6	1765.7	0.00	0.00	4019.1	GCU D22-2306 03H PBHL



DESIGN TARGET DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
GCU D22-2306 03H PBHL	-3813.6	1765.7	1895851.58	1284479.81	36.204308	-107.456475
GCU D22-2306 03H POE	-1500.3	-305.1	1898190.52	1282438.17	36.210662	-107.463493

CASING DETAILS

TVD	MD	Name
500.0	500.0	9 5/8"
5464.8	5769.3	7" ICP @ 55"

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1487.0	1487.0	Ojo Alamo Ss.
1668.0	1668.0	Kirtland Shale
1831.0	1831.0	Fruitland Coal
2054.0	2054.0	Pictured Cliffs Ss.
2183.0	2183.1	Lewis Shale
2874.6	2888.8	Cliffhouse Ss.
3594.8	3668.0	Menefee Fn.
4309.0	4446.0	Point Lookout Ss.
4517.7	4673.4	Mancos Shale
5104.0	5312.2	Mancos Silt
5335.3	5579.5	Gallup Fn.

**M** Azimuths to True North  
 Magnetic North: 9.32°

Magnetic Field  
 Strength: 50154.2nT  
 Dip Angle: 62.99°  
 Date: 8/21/2014  
 Model: IGRF2010

Plan #1  
 GCU D22-2306 03H  
 14xxx; LR  
 16" KB @ 7005.0ft  
 Ground Elevation @ 6989.0  
 North American Datum 1983  
 Well GCU D22-2306 03H, True North

Vertical Section at 138.17° (1000 ft/in)



## Planning Report

<b>Database:</b> USA EDM 5000 Multi Users DB	<b>Local Co-ordinate Reference:</b> Well GCU D22-2306 03H
<b>Company:</b> EnCana Oil & Gas (USA) Inc	<b>TVD Reference:</b> 16' KB @ 7005.0ft
<b>Project:</b> Sandoval County, NM	<b>MD Reference:</b> 16' KB @ 7005.0ft
<b>Site:</b> S22-T23N-R6W	<b>North Reference:</b> True
<b>Well:</b> GCU D22-2306 03H	<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		

<b>Site</b> S22-T23N-R6W					
<b>Site Position:</b>		<b>Northing:</b>	1,899,747.00 ft	<b>Latitude:</b>	36.214948
<b>From:</b> Lat/Long		<b>Easting:</b>	1,282,761.84 ft	<b>Longitude:</b>	-107.462462
<b>Position Uncertainty:</b>	0.0 ft	<b>Slot Radius:</b>	13.200 in	<b>Grid Convergence:</b>	-0.72 °

<b>Well</b> GCU D22-2306 03H						
<b>Well Position</b>	<b>+N/-S</b>	0.0 ft	<b>Northing:</b>	1,899,686.92 ft	<b>Latitude:</b>	36.214783
	<b>+E/-W</b>	0.0 ft	<b>Easting:</b>	1,282,761.98 ft	<b>Longitude:</b>	-107.462459
<b>Position Uncertainty</b>		0.0 ft	<b>Wellhead Elevation:</b>	0.0 ft	<b>Ground Level:</b>	6,989.0 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	8/21/2014	9.32	62.99	50,154

<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	138.17

<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	
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.00	0.00	0.00	0.00	
3,168.9	23.38	209.93	3,136.8	-203.8	-117.4	2.00	2.00	0.00	209.93	
5,324.6	23.38	209.93	5,115.4	-945.1	-544.2	0.00	0.00	0.00	0.00	
6,157.9	90.50	138.17	5,579.0	-1,500.3	-305.1	10.00	8.05	-8.61	-72.98	GCU D22-2306 03H F
9,262.7	90.50	138.17	5,551.9	-3,813.6	1,765.7	0.00	0.00	0.00	0.00	GCU D22-2306 03H F

Planning Report

<b>Database:</b>	USA EDM 5000 Multi Users DB	<b>Local Co-ordinate Reference:</b>	Well GCU D22-2306 03H
<b>Company:</b>	EnCana Oil & Gas (USA) Inc	<b>TVD Reference:</b>	16' KB @ 7005.0ft
<b>Project:</b>	Sandoval County, NM	<b>MD Reference:</b>	16' KB @ 7005.0ft
<b>Site:</b>	S22-T23N-R6W	<b>North Reference:</b>	True
<b>Well:</b>	GCU D22-2306 03H	<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	
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	
1,487.0	0.00	0.00	1,487.0	0.0	0.0	0.0	0.00	0.00	Ojo Alamo Ss.
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	
1,668.0	0.00	0.00	1,668.0	0.0	0.0	0.0	0.00	0.00	Kirtland Shale
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	
1,831.0	0.00	0.00	1,831.0	0.0	0.0	0.0	0.00	0.00	Fruitland Coal
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	KOP @ 2000'
2,054.0	1.08	209.93	2,054.0	-0.4	-0.3	0.2	2.00	2.00	Pictured Cliffs Ss.
2,100.0	2.00	209.93	2,100.0	-1.5	-0.9	0.5	2.00	2.00	
2,183.1	3.66	209.93	2,183.0	-5.1	-2.9	1.8	2.00	2.00	Lewis Shale
2,200.0	4.00	209.93	2,199.8	-6.0	-3.5	2.2	2.00	2.00	
2,300.0	6.00	209.93	2,299.5	-13.6	-7.8	4.9	2.00	2.00	
2,400.0	8.00	209.93	2,398.7	-24.2	-13.9	8.7	2.00	2.00	
2,500.0	10.00	209.93	2,497.5	-37.7	-21.7	13.6	2.00	2.00	
2,600.0	12.00	209.93	2,595.6	-54.3	-31.2	19.6	2.00	2.00	
2,700.0	14.00	209.93	2,693.1	-73.7	-42.5	26.6	2.00	2.00	
2,800.0	16.00	209.93	2,789.6	-96.2	-55.4	34.7	2.00	2.00	
2,888.8	17.78	209.93	2,874.6	-118.5	-68.2	42.8	2.00	2.00	Cliffhouse Ss.
2,900.0	18.00	209.93	2,885.3	-121.5	-70.0	43.9	2.00	2.00	
3,000.0	20.00	209.93	2,979.8	-149.7	-86.2	54.1	2.00	2.00	
3,100.0	22.00	209.93	3,073.2	-180.8	-104.1	65.3	2.00	2.00	
3,168.9	23.38	209.93	3,136.8	-203.8	-117.4	73.6	2.00	2.00	EOB; Inc=23.38°
3,200.0	23.38	209.93	3,165.3	-214.5	-123.5	77.5	0.00	0.00	
3,300.0	23.38	209.93	3,257.1	-248.9	-143.3	89.9	0.00	0.00	
3,400.0	23.38	209.93	3,348.9	-283.3	-163.1	102.3	0.00	0.00	
3,500.0	23.38	209.93	3,440.7	-317.7	-182.9	114.7	0.00	0.00	
3,600.0	23.38	209.93	3,532.4	-352.1	-202.7	127.1	0.00	0.00	
3,668.0	23.38	209.93	3,594.8	-375.4	-216.2	135.6	0.00	0.00	Menefee Fn.
3,700.0	23.38	209.93	3,624.2	-386.4	-222.5	139.6	0.00	0.00	
3,800.0	23.38	209.93	3,716.0	-420.8	-242.3	152.0	0.00	0.00	
3,900.0	23.38	209.93	3,807.8	-455.2	-262.1	164.4	0.00	0.00	
4,000.0	23.38	209.93	3,899.6	-489.6	-281.9	176.8	0.00	0.00	
4,100.0	23.38	209.93	3,991.4	-524.0	-301.7	189.2	0.00	0.00	
4,200.0	23.38	209.93	4,083.2	-558.4	-321.5	201.7	0.00	0.00	
4,300.0	23.38	209.93	4,175.0	-592.8	-341.3	214.1	0.00	0.00	



## Planning Report

<b>Database:</b> USA EDM 5000 Multi Users DB	<b>Local Co-ordinate Reference:</b> Well GCU D22-2306 03H
<b>Company:</b> EnCana Oil & Gas (USA) Inc	<b>TVD Reference:</b> 16' KB @ 7005.0ft
<b>Project:</b> Sandoval County, NM	<b>MD Reference:</b> 16' KB @ 7005.0ft
<b>Site:</b> S22-T23N-R6W	<b>North Reference:</b> True
<b>Well:</b> GCU D22-2306 03H	<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
4,400.0	23.38	209.93	4,266.8	-627.2	-361.1	226.5	0.00	0.00	
4,446.0	23.38	209.93	4,309.0	-643.0	-370.2	232.2	0.00	0.00	Point Lookout Ss.
4,500.0	23.38	209.93	4,358.6	-661.6	-380.9	238.9	0.00	0.00	
4,600.0	23.38	209.93	4,450.3	-695.9	-400.7	251.3	0.00	0.00	
4,673.4	23.38	209.93	4,517.7	-721.2	-415.2	260.4	0.00	0.00	Mancos Shale
4,700.0	23.38	209.93	4,542.1	-730.3	-420.5	263.7	0.00	0.00	
4,800.0	23.38	209.93	4,633.9	-764.7	-440.3	276.2	0.00	0.00	
4,900.0	23.38	209.93	4,725.7	-799.1	-460.1	288.6	0.00	0.00	
5,000.0	23.38	209.93	4,817.5	-833.5	-479.9	301.0	0.00	0.00	
5,100.0	23.38	209.93	4,909.3	-867.9	-499.7	313.4	0.00	0.00	
5,200.0	23.38	209.93	5,001.1	-902.3	-519.5	325.8	0.00	0.00	
5,300.0	23.38	209.93	5,092.9	-936.7	-539.3	338.3	0.00	0.00	
5,312.2	23.38	209.93	5,104.0	-940.8	-541.7	339.8	0.00	0.00	Mancos Silt
5,324.6	23.38	209.93	5,115.4	-945.1	-544.2	341.3	0.00	0.00	Start build/turn @ 5324' MD
5,400.0	26.53	193.61	5,183.9	-974.5	-555.6	355.6	10.00	4.17	
5,500.0	32.84	177.83	5,270.9	-1,023.4	-559.9	389.2	10.00	6.31	
5,579.5	38.87	168.96	5,335.3	-1,069.5	-554.3	427.3	10.00	7.59	Gallup Fn.
5,600.0	40.52	167.05	5,351.1	-1,082.3	-551.5	438.6	10.00	8.04	
5,700.0	48.92	159.32	5,422.1	-1,149.4	-530.9	502.4	10.00	8.40	
5,769.3	54.99	155.06	5,464.8	-1,199.6	-509.7	554.0	10.00	8.76	7" ICP @ 55°
5,800.0	57.73	153.38	5,481.8	-1,222.6	-498.5	578.5	10.00	8.90	
5,900.0	66.76	148.52	5,528.4	-1,299.8	-455.5	664.7	10.00	9.03	
6,000.0	75.92	144.28	5,560.4	-1,378.6	-403.1	758.4	10.00	9.16	
6,100.0	85.14	140.37	5,576.8	-1,456.5	-342.8	856.7	10.00	9.23	
6,157.9	90.50	138.17	5,579.0	-1,500.3	-305.1	914.5	10.00	9.25	LP @ 5579' TVD; 90.5° - GCU D22-2306 03H F
6,200.0	90.50	138.17	5,578.6	-1,531.7	-277.0	956.6	0.00	0.00	
6,300.0	90.50	138.17	5,577.8	-1,606.2	-210.3	1,056.6	0.00	0.00	
6,400.0	90.50	138.17	5,576.9	-1,680.7	-143.6	1,156.6	0.00	0.00	
6,500.0	90.50	138.17	5,576.0	-1,755.2	-76.9	1,256.6	0.00	0.00	
6,600.0	90.50	138.17	5,575.1	-1,829.7	-10.2	1,356.6	0.00	0.00	
6,700.0	90.50	138.17	5,574.3	-1,904.2	56.5	1,456.6	0.00	0.00	
6,800.0	90.50	138.17	5,573.4	-1,978.7	123.2	1,556.6	0.00	0.00	
6,900.0	90.50	138.17	5,572.5	-2,053.2	189.9	1,656.6	0.00	0.00	
7,000.0	90.50	138.17	5,571.6	-2,127.7	256.6	1,756.5	0.00	0.00	
7,100.0	90.50	138.17	5,570.8	-2,202.2	323.3	1,856.5	0.00	0.00	
7,200.0	90.50	138.17	5,569.9	-2,276.7	390.0	1,956.5	0.00	0.00	
7,300.0	90.50	138.17	5,569.0	-2,351.3	456.7	2,056.5	0.00	0.00	
7,400.0	90.50	138.17	5,568.2	-2,425.8	523.4	2,156.5	0.00	0.00	
7,500.0	90.50	138.17	5,567.3	-2,500.3	590.0	2,256.5	0.00	0.00	
7,600.0	90.50	138.17	5,566.4	-2,574.8	656.7	2,356.5	0.00	0.00	
7,700.0	90.50	138.17	5,565.5	-2,649.3	723.4	2,456.5	0.00	0.00	
7,800.0	90.50	138.17	5,564.7	-2,723.8	790.1	2,556.5	0.00	0.00	
7,900.0	90.50	138.17	5,563.8	-2,798.3	856.8	2,656.5	0.00	0.00	
8,000.0	90.50	138.17	5,562.9	-2,872.8	923.5	2,756.5	0.00	0.00	
8,100.0	90.50	138.17	5,562.0	-2,947.3	990.2	2,856.5	0.00	0.00	
8,200.0	90.50	138.17	5,561.2	-3,021.8	1,056.9	2,956.5	0.00	0.00	
8,300.0	90.50	138.17	5,560.3	-3,096.3	1,123.6	3,056.5	0.00	0.00	
8,400.0	90.50	138.17	5,559.4	-3,170.8	1,190.3	3,156.5	0.00	0.00	
8,500.0	90.50	138.17	5,558.6	-3,245.3	1,257.0	3,256.5	0.00	0.00	
8,600.0	90.50	138.17	5,557.7	-3,319.8	1,323.7	3,356.5	0.00	0.00	
8,700.0	90.50	138.17	5,556.8	-3,394.3	1,390.4	3,456.5	0.00	0.00	
8,800.0	90.50	138.17	5,555.9	-3,468.8	1,457.1	3,556.5	0.00	0.00	

## Planning Report

<b>Database:</b> USA EDM 5000 Multi Users DB	<b>Local Co-ordinate Reference:</b> Well GCU D22-2306 03H
<b>Company:</b> EnCana Oil & Gas (USA) Inc	<b>TVD Reference:</b> 16' KB @ 7005.0ft
<b>Project:</b> Sandoval County, NM	<b>MD Reference:</b> 16' KB @ 7005.0ft
<b>Site:</b> S22-T23N-R6W	<b>North Reference:</b> True
<b>Well:</b> GCU D22-2306 03H	<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
8,900.0	90.50	138.17	5,555.1	-3,543.3	1,523.8	3,656.5	0.00	0.00	
9,000.0	90.50	138.17	5,554.2	-3,617.8	1,590.5	3,756.5	0.00	0.00	
9,100.0	90.50	138.17	5,553.3	-3,692.4	1,657.2	3,856.5	0.00	0.00	
9,200.0	90.50	138.17	5,552.4	-3,766.9	1,723.9	3,956.5	0.00	0.00	
9,262.7	90.50	138.17	5,551.9	-3,813.6	1,765.7	4,019.1	0.00	0.00	TD at 9262.7 - GCU D22-2306 03H PBHL

Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
GCU D22-2306 03H PBI - plan hits target center - Point	0.00	0.00	5,551.9	-3,813.6	1,765.7	1,895,851.58	1,284,479.81	36.204308	-107.456475
GCU D22-2306 03H PO - plan hits target center - Point	0.00	0.00	5,579.0	-1,500.3	-305.1	1,898,190.52	1,282,438.17	36.210662	-107.463493
	500.0	500.0	9 5/8"					0.000	0.000
	5,769.3	5,464.8	7" ICP @ 55°					0.000	0.000

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
1,487.0	1,487.0	Ojo Alamo Ss.		-0.50	138.17	
1,668.0	1,668.0	Kirtland Shale		-0.50	138.17	
1,831.0	1,831.0	Fruitland Coal		-0.50	138.17	
2,054.0	2,054.0	Pictured Cliffs Ss.		-0.50	138.17	
2,183.1	2,183.0	Lewis Shale		-0.50	138.17	
2,888.8	2,875.0	Cliffhouse Ss.		-0.50	138.17	
3,668.0	3,596.0	Menefee Fn.		-0.50	138.17	
4,446.0	4,311.0	Point Lookout Ss.		-0.50	138.17	
4,673.4	4,520.0	Mancos Shale		-0.50	138.17	
5,312.2	5,107.0	Mancos Silt		-0.50	138.17	
5,579.5	5,339.0	Gallup Fn.		-0.50	138.17	

Plan Annotations				
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
2,000.0	2,000.0	0.0	0.0	KOP @ 2000'
3,168.9	3,136.8	-203.8	-117.4	EOB; Inc=23.38°
5,324.6	5,115.4	-945.1	-544.2	Start build/turn @ 5324' MD
6,157.9	5,579.0	-1,500.3	-305.1	LP @ 5579' TVD; 90.5°
9,262.7	5,551.9	-3,813.6	1,765.7	TD at 9262.7





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

Sandoval County, NM

S22-T23N-R6W

GCU D22-2306 03H

HZ

Plan #1

## **Anticollision Report**

25 August, 2014

### Anticollision Report

<b>Company:</b>	EnCana Oil & Gas (USA) Inc	<b>Local Co-ordinate Reference:</b>	Well GCU D22-2306 03H
<b>Project:</b>	Sandoval County, NM	<b>TVD Reference:</b>	16' KB @ 7005.0ft
<b>Reference Site:</b>	S22-T23N-R6W	<b>MD Reference:</b>	16' KB @ 7005.0ft
<b>Site Error:</b>	0.0ft	<b>North Reference:</b>	True
<b>Reference Well:</b>	GCU D22-2306 03H	<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>	GLOBAL FILTER APPLIED: All wellpaths within 200'+ 100/1000 of reference		
<b>Interpolation Method:</b>	MD Interval 100.0ft	<b>Error Model:</b>	Systematic Ellipse
<b>Depth Range:</b>	Unlimited	<b>Scan Method:</b>	Closest Approach 3D
<b>Results Limited by:</b>	Maximum center-center distance of 1,126.3ft	<b>Error Surface:</b>	Elliptical Conic
<b>Warning Levels Evaluated at:</b>	2.00 Sigma		

<b>Survey Tool Program</b>	Date	8/25/2014		
<b>From (ft)</b>	<b>To (ft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Description</b>
0.0	9,262.7	Plan #1 (HZ)	Geolink MWD	Geolink MWD

Summary						
Site Name	Reference Measured Depth (ft)	Offset Measured Depth (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Separation Factor	Warning
<b>Offset Well - Wellbore - Design</b>						
Lybrook						
Traverse Option 3 - Wellbore #1 - Plan #1 W POE	8,441.4	5,283.1	932.6	861.7	13.144	CC, ES
Traverse Option 3 - Wellbore #1 - Plan #1 W POE	8,700.0	5,281.9	967.8	891.9	12.746	SF
<b>S22-T23N-R6W</b>						
Lybrook D22-2306 01H - HZ - Plan #1	2,000.0	2,000.0	60.1	53.2	8.675	CC, ES
Lybrook D22-2306 01H - HZ - Plan #1	2,100.0	2,100.0	61.6	54.3	8.468	SF
Lybrook D22-2306 02H - HZ - Plan #1	2,000.0	2,000.0	30.2	23.3	4.363	CC, ES, SF

CC - Min centre to center distance or covergent 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 GCU D22-2306 03H
<b>Project:</b>	Sandoval County, NM	<b>TVD Reference:</b>	16' KB @ 7005.0ft
<b>Reference Site:</b>	S22-T23N-R6W	<b>MD Reference:</b>	16' KB @ 7005.0ft
<b>Site Error:</b>	0.0ft	<b>North Reference:</b>	True
<b>Reference Well:</b>	GCU D22-2306 03H	<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 - Tranverse Option 3 - Wellbore #1 - Plan #1 WPOE													Offset Site Error:	0.0 ft
Survey Program: 0-MWD													Offset Well Error:	0.0 ft
Reference		Offset		Semi Major Axis		Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	+E/-W (ft)	Distance		Total Uncertainty Axis	Separation Factor	Warning	
Measured Depth (ft)	Vertical Depth (ft)	Measured Depth (ft)	Vertical Depth (ft)	Reference (ft)	Offset (ft)				Between Centres (ft)	Between Ellipses (ft)				
7,900.0	5,563.8	5,300.0	5,293.9	59.0	9.3	69.73	-3,783.2	563.8	1,078.6	1,017.7	60.90	17.711		
8,000.0	5,562.9	5,300.0	5,293.9	61.0	9.3	69.73	-3,783.2	563.8	1,032.1	969.2	62.84	16.424		
8,100.0	5,562.0	5,300.0	5,293.9	62.9	9.3	69.73	-3,783.2	563.8	993.4	928.7	64.78	15.335		
8,200.0	5,561.2	5,284.2	5,279.2	64.9	9.2	68.76	-3,779.2	568.3	963.3	897.0	66.31	14.527		
8,300.0	5,560.3	5,283.7	5,278.8	66.8	9.2	68.73	-3,779.1	568.4	943.3	875.0	68.24	13.824		
8,400.0	5,559.4	5,283.3	5,278.4	68.8	9.2	68.70	-3,779.0	568.5	933.5	863.4	70.16	13.306		
8,441.4	5,559.1	5,283.1	5,278.2	69.6	9.2	68.69	-3,779.0	568.6	932.6	861.7	70.95	13.144	CC, ES	
8,500.0	5,558.6	5,282.8	5,277.9	70.8	9.2	68.68	-3,778.9	568.6	934.4	862.4	72.08	12.964		
8,600.0	5,557.7	5,282.3	5,277.5	72.7	9.2	68.65	-3,778.8	568.8	946.0	872.0	74.00	12.783		
8,700.0	5,556.8	5,281.9	5,277.1	74.7	9.2	68.62	-3,778.7	568.9	967.8	891.9	75.93	12.746	SF	
8,800.0	5,555.9	5,281.4	5,276.7	76.7	9.2	68.59	-3,778.6	569.0	999.2	921.3	77.85	12.834		
8,900.0	5,555.1	5,281.0	5,276.2	78.7	9.2	68.56	-3,778.5	569.1	1,039.3	959.5	79.78	13.027		
9,000.0	5,554.2	5,280.5	5,275.8	80.8	9.2	68.53	-3,778.3	569.3	1,087.1	1,005.4	81.70	13.305		

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 GCU D22-2306 03H
<b>Project:</b>	Sandoval County, NM	<b>TVD Reference:</b>	16' KB @ 7005.0ft
<b>Reference Site:</b>	S22-T23N-R6W	<b>MD Reference:</b>	16' KB @ 7005.0ft
<b>Site Error:</b>	0.0ft	<b>North Reference:</b>	True
<b>Reference Well:</b>	GCU D22-2306 03H	<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 S22-T23N-R6W - Lybrook D22-2306 01H - 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
0.0	0.0	0.0	0.0	0.0	0.0	-0.84	60.1	-0.9	60.1				
100.0	100.0	100.0	100.0	0.1	0.1	-0.84	60.1	-0.9	60.1	59.8	0.29	204.893	
200.0	200.0	200.0	200.0	0.3	0.3	-0.84	60.1	-0.9	60.1	59.4	0.64	93.538	
300.0	300.0	300.0	300.0	0.5	0.5	-0.84	60.1	-0.9	60.1	59.1	0.99	60.602	
400.0	400.0	400.0	400.0	0.7	0.7	-0.84	60.1	-0.9	60.1	58.7	1.34	44.820	
500.0	500.0	500.0	500.0	0.8	0.8	-0.84	60.1	-0.9	60.1	58.4	1.69	35.560	
600.0	600.0	600.0	600.0	1.0	1.0	-0.84	60.1	-0.9	60.1	58.0	2.04	29.471	
700.0	700.0	700.0	700.0	1.2	1.2	-0.84	60.1	-0.9	60.1	57.7	2.39	25.162	
800.0	800.0	800.0	800.0	1.4	1.4	-0.84	60.1	-0.9	60.1	57.3	2.74	21.953	
900.0	900.0	900.0	900.0	1.5	1.5	-0.84	60.1	-0.9	60.1	57.0	3.09	19.469	
1,000.0	1,000.0	1,000.0	1,000.0	1.7	1.7	-0.84	60.1	-0.9	60.1	56.6	3.43	17.491	
1,100.0	1,100.0	1,100.0	1,100.0	1.9	1.9	-0.84	60.1	-0.9	60.1	56.3	3.78	15.877	
1,200.0	1,200.0	1,200.0	1,200.0	2.1	2.1	-0.84	60.1	-0.9	60.1	55.9	4.13	14.536	
1,300.0	1,300.0	1,300.0	1,300.0	2.2	2.2	-0.84	60.1	-0.9	60.1	55.6	4.48	13.404	
1,400.0	1,400.0	1,400.0	1,400.0	2.4	2.4	-0.84	60.1	-0.9	60.1	55.2	4.83	12.436	
1,500.0	1,500.0	1,500.0	1,500.0	2.6	2.6	-0.84	60.1	-0.9	60.1	54.9	5.18	11.598	
1,600.0	1,600.0	1,600.0	1,600.0	2.8	2.8	-0.84	60.1	-0.9	60.1	54.5	5.53	10.866	
1,700.0	1,700.0	1,700.0	1,700.0	2.9	2.9	-0.84	60.1	-0.9	60.1	54.2	5.88	10.220	
1,800.0	1,800.0	1,800.0	1,800.0	3.1	3.1	-0.84	60.1	-0.9	60.1	53.9	6.23	9.647	
1,900.0	1,900.0	1,900.0	1,900.0	3.3	3.3	-0.84	60.1	-0.9	60.1	53.5	6.58	9.135	
2,000.0	2,000.0	2,000.0	2,000.0	3.5	3.5	-0.84	60.1	-0.9	60.1	53.2	6.93	8.675	CC, ES
2,100.0	2,100.0	2,100.0	2,100.0	3.6	3.6	150.04	60.1	-0.9	61.6	54.3	7.27	8.468	SF
2,200.0	2,199.8	2,199.8	2,199.8	3.8	3.8	152.26	60.1	-0.9	66.2	58.6	7.61	8.690	
2,300.0	2,299.5	2,299.5	2,299.5	4.0	4.0	155.33	60.1	-0.9	74.0	66.0	7.95	9.306	
2,400.0	2,398.7	2,398.7	2,398.7	4.2	4.2	158.67	60.1	-0.9	85.2	77.0	8.28	10.292	
2,500.0	2,497.5	2,497.5	2,497.5	4.4	4.3	161.84	60.1	-0.9	100.0	91.4	8.60	11.621	
2,600.0	2,595.6	2,595.6	2,595.6	4.7	4.5	164.62	60.1	-0.9	118.3	109.4	8.92	13.267	
2,700.0	2,693.1	2,693.1	2,693.1	5.0	4.7	166.95	60.1	-0.9	140.1	130.9	9.22	15.202	
2,800.0	2,789.6	2,789.6	2,789.6	5.3	4.8	168.87	60.1	-0.9	165.5	156.0	9.51	17.402	
2,900.0	2,885.3	2,885.3	2,885.3	5.7	5.0	170.44	60.1	-0.9	194.3	184.5	9.79	19.845	
3,000.0	2,979.8	2,979.8	2,979.8	6.2	5.2	171.71	60.1	-0.9	226.5	216.4	10.06	22.515	
3,100.0	3,073.2	3,073.2	3,073.2	6.7	5.3	172.74	60.1	-0.9	262.0	251.7	10.32	25.397	
3,200.0	3,165.3	3,165.3	3,165.3	7.3	5.5	173.61	60.1	-0.9	300.7	290.1	10.59	28.391	
3,300.0	3,257.1	3,257.1	3,257.1	7.9	5.7	174.35	60.1	-0.9	340.2	329.3	10.92	31.143	
3,400.0	3,348.9	3,348.9	3,348.9	8.5	5.8	174.94	60.1	-0.9	379.7	368.5	11.26	33.735	
3,500.0	3,440.7	3,440.7	3,440.7	9.1	6.0	175.42	60.1	-0.9	419.3	407.7	11.59	36.182	
3,600.0	3,532.4	3,532.4	3,532.4	9.8	6.1	175.82	60.1	-0.9	458.9	447.0	11.92	38.495	
3,700.0	3,624.2	3,624.2	3,624.2	10.4	6.3	176.15	60.1	-0.9	498.5	486.2	12.25	40.683	
3,800.0	3,716.0	3,715.7	3,715.7	11.1	6.5	176.43	60.1	-0.9	538.1	525.5	12.58	42.760	
3,900.0	3,807.8	3,805.8	3,805.8	11.8	6.6	176.42	61.3	-2.9	577.9	565.0	12.92	44.738	
4,000.0	3,899.6	3,895.5	3,895.3	12.5	6.8	176.09	64.2	-7.6	618.0	604.7	13.26	46.612	
4,100.0	3,991.4	3,984.6	3,983.9	13.2	6.9	175.48	68.7	-15.1	658.4	644.8	13.61	48.373	
4,200.0	4,083.2	4,072.8	4,071.4	13.8	7.1	174.66	75.0	-25.3	699.3	685.3	13.98	50.007	
4,300.0	4,175.0	4,160.0	4,157.3	14.5	7.3	173.67	82.7	-38.1	740.6	726.2	14.38	51.501	
4,400.0	4,266.8	4,246.0	4,241.4	15.2	7.5	172.54	91.9	-53.2	782.6	767.8	14.81	52.837	
4,500.0	4,358.6	4,330.5	4,323.4	15.9	7.7	171.32	102.5	-70.6	825.4	810.1	15.28	54.006	
4,600.0	4,450.3	4,413.4	4,403.1	16.6	8.0	170.03	114.3	-90.0	869.0	853.2	15.80	55.000	
4,700.0	4,542.1	4,494.5	4,480.4	17.3	8.2	168.69	127.2	-111.2	913.7	897.3	16.37	55.815	
4,800.0	4,633.9	4,578.6	4,559.7	18.0	8.5	167.28	141.7	-135.0	959.3	942.3	17.00	56.413	
4,900.0	4,725.7	4,664.9	4,641.1	18.8	8.9	165.95	156.6	-159.5	1,005.4	987.7	17.68	56.853	
5,000.0	4,817.5	4,751.1	4,722.4	19.5	9.2	164.72	171.5	-184.0	1,051.9	1,033.6	18.39	57.196	
5,100.0	4,909.3	4,837.4	4,803.7	20.2	9.6	163.60	186.4	-208.5	1,098.8	1,079.7	19.12	57.462	

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 GCU D22-2306 03H
<b>Project:</b>	Sandoval County, NM	<b>TVD Reference:</b>	16' KB @ 7005.0ft
<b>Reference Site:</b>	S22-T23N-R6W	<b>MD Reference:</b>	16' KB @ 7005.0ft
<b>Site Error:</b>	0.0ft	<b>North Reference:</b>	True
<b>Reference Well:</b>	GCU D22-2306 03H	<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

## Anticollision Report

<b>Company:</b>	EnCana Oil & Gas (USA) Inc	<b>Local Co-ordinate Reference:</b>	Well GCU D22-2306 03H
<b>Project:</b>	Sandoval County, NM	<b>TVD Reference:</b>	16' KB @ 7005.0ft
<b>Reference Site:</b>	S22-T23N-R6W	<b>MD Reference:</b>	16' KB @ 7005.0ft
<b>Site Error:</b>	0.0ft	<b>North Reference:</b>	True
<b>Reference Well:</b>	GCU D22-2306 03H	<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													Offset Site Error:	0.0 ft
S22-T23N-R6W - Lybrook D22-2306 02H - HZ - Plan #1													Offset Well Error:	0.0 ft
Survey Program: 0-Geolink MWD														
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		
0.0	0.0	0.0	0.0	0.0	0.0	-0.56	30.2	-0.3	30.2					
100.0	100.0	100.0	100.0	0.1	0.1	-0.56	30.2	-0.3	30.2	29.9	0.29	103.061		
200.0	200.0	200.0	200.0	0.3	0.3	-0.56	30.2	-0.3	30.2	29.6	0.64	47.050		
300.0	300.0	300.0	300.0	0.5	0.5	-0.56	30.2	-0.3	30.2	29.2	0.99	30.483		
400.0	400.0	400.0	400.0	0.7	0.7	-0.56	30.2	-0.3	30.2	28.9	1.34	22.545		
500.0	500.0	500.0	500.0	0.8	0.8	-0.56	30.2	-0.3	30.2	28.5	1.69	17.887		
600.0	600.0	600.0	600.0	1.0	1.0	-0.56	30.2	-0.3	30.2	28.2	2.04	14.824		
700.0	700.0	700.0	700.0	1.2	1.2	-0.56	30.2	-0.3	30.2	27.8	2.39	12.657		
800.0	800.0	800.0	800.0	1.4	1.4	-0.56	30.2	-0.3	30.2	27.5	2.74	11.042		
900.0	900.0	900.0	900.0	1.5	1.5	-0.56	30.2	-0.3	30.2	27.1	3.09	9.793		
1,000.0	1,000.0	1,000.0	1,000.0	1.7	1.7	-0.56	30.2	-0.3	30.2	26.8	3.43	8.798		
1,100.0	1,100.0	1,100.0	1,100.0	1.9	1.9	-0.56	30.2	-0.3	30.2	26.4	3.78	7.986		
1,200.0	1,200.0	1,200.0	1,200.0	2.1	2.1	-0.56	30.2	-0.3	30.2	26.1	4.13	7.312		
1,300.0	1,300.0	1,300.0	1,300.0	2.2	2.2	-0.56	30.2	-0.3	30.2	25.7	4.48	6.742		
1,400.0	1,400.0	1,400.0	1,400.0	2.4	2.4	-0.56	30.2	-0.3	30.2	25.4	4.83	6.255		
1,500.0	1,500.0	1,500.0	1,500.0	2.6	2.6	-0.56	30.2	-0.3	30.2	25.0	5.18	5.834		
1,600.0	1,600.0	1,600.0	1,600.0	2.8	2.8	-0.56	30.2	-0.3	30.2	24.7	5.53	5.465		
1,700.0	1,700.0	1,700.0	1,700.0	2.9	2.9	-0.56	30.2	-0.3	30.2	24.3	5.88	5.141		
1,800.0	1,800.0	1,800.0	1,800.0	3.1	3.1	-0.56	30.2	-0.3	30.2	24.0	6.23	4.853		
1,900.0	1,900.0	1,900.0	1,900.0	3.3	3.3	-0.56	30.2	-0.3	30.2	23.6	6.58	4.595		
2,000.0	2,000.0	2,000.0	2,000.0	3.5	3.5	-0.56	30.2	-0.3	30.2	23.3	6.93	4.363	CC, ES, SF	
2,100.0	2,100.0	2,100.0	2,100.0	3.6	3.6	151.09	30.2	-0.3	31.7	24.5	7.27	4.364		
2,200.0	2,199.8	2,199.8	2,199.8	3.8	3.8	155.04	30.2	-0.3	36.4	28.8	7.61	4.781		
2,300.0	2,299.5	2,299.5	2,299.5	4.0	4.0	159.72	30.2	-0.3	44.5	36.5	7.95	5.593		
2,400.0	2,398.7	2,398.7	2,398.7	4.2	4.2	163.98	30.2	-0.3	56.1	47.8	8.28	6.773		
2,500.0	2,497.5	2,497.5	2,497.5	4.4	4.4	167.38	30.2	-0.3	71.2	62.6	8.59	8.288		
2,600.0	2,595.6	2,595.6	2,595.6	4.7	4.5	169.97	30.2	-0.3	90.0	81.1	8.90	10.104		
2,700.0	2,693.1	2,693.1	2,693.1	5.0	4.7	171.91	30.2	-0.3	112.2	103.0	9.20	12.191		
2,800.0	2,789.6	2,794.1	2,794.1	5.3	4.8	173.46	28.8	-0.8	136.4	126.9	9.50	14.359		
2,900.0	2,885.3	2,896.4	2,896.2	5.7	5.0	174.77	23.9	-2.6	160.6	150.8	9.79	16.407		
3,000.0	2,979.8	2,999.6	2,999.0	6.2	5.2	175.94	15.5	-5.7	184.8	174.7	10.07	18.345		
3,100.0	3,073.2	3,103.6	3,102.3	6.7	5.4	177.02	3.6	-10.1	209.0	198.6	10.35	20.184		
3,200.0	3,165.3	3,208.7	3,206.1	7.3	5.7	178.04	-12.1	-15.9	232.9	222.2	10.65	21.857		
3,300.0	3,257.1	3,315.4	3,310.6	7.9	5.9	179.03	-31.6	-23.1	254.1	243.1	11.02	23.053		
3,400.0	3,348.9	3,423.5	3,415.8	8.5	6.2	180.00	-55.1	-31.7	271.7	260.3	11.40	23.843		
3,500.0	3,440.7	3,532.9	3,521.2	9.1	6.6	-179.00	-82.6	-41.9	285.7	274.0	11.78	24.255		
3,600.0	3,532.4	3,643.3	3,626.3	9.8	7.0	-177.94	-114.2	-53.5	296.1	283.9	12.18	24.315		
3,700.0	3,624.2	3,754.3	3,730.6	10.4	7.5	-176.77	-149.8	-66.6	302.7	290.1	12.59	24.044		
3,800.0	3,716.0	3,865.6	3,833.7	11.1	8.1	-175.48	-189.2	-81.1	305.7	292.7	13.03	23.462		
3,900.0	3,807.8	3,976.8	3,935.0	11.8	8.7	-174.00	-232.4	-97.0	305.1	291.6	13.51	22.585		
4,000.0	3,899.6	4,078.2	4,026.2	12.5	9.3	-172.52	-273.8	-112.3	302.2	288.2	14.01	21.580		
4,100.0	3,991.4	4,177.8	4,115.9	13.2	10.0	-171.04	-314.6	-127.3	299.6	285.0	14.54	20.599		
4,200.0	4,083.2	4,277.5	4,205.5	13.8	10.6	-169.53	-355.4	-142.4	297.1	281.9	15.13	19.633		
4,300.0	4,175.0	4,377.1	4,295.2	14.5	11.3	-168.00	-396.2	-157.4	294.8	279.0	15.78	18.683		
4,400.0	4,266.8	4,476.8	4,384.9	15.2	12.0	-166.44	-437.0	-172.4	292.8	276.3	16.49	17.750		
4,500.0	4,358.6	4,576.5	4,474.6	15.9	12.7	-164.86	-477.8	-187.4	290.9	273.7	17.28	16.839		
4,600.0	4,450.3	4,676.1	4,564.2	16.6	13.4	-163.27	-518.6	-202.5	289.3	271.2	18.14	15.953		
4,700.0	4,542.1	4,775.8	4,653.9	17.3	14.1	-161.66	-559.4	-217.5	288.0	268.9	19.07	15.096		
4,800.0	4,633.9	4,875.4	4,743.6	18.0	14.9	-160.03	-600.2	-232.5	286.8	266.7	20.09	14.275		
4,900.0	4,725.7	4,975.1	4,833.3	18.8	15.6	-158.39	-641.0	-247.6	285.9	264.7	21.19	13.492		
5,000.0	4,817.5	5,074.7	4,922.9	19.5	16.3	-156.75	-681.8	-262.6	285.2	262.9	22.37	12.751		
5,100.0	4,909.3	5,174.4	5,012.6	20.2	17.1	-155.09	-722.6	-277.6	284.8	261.2	23.63	12.054		

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 GCU D22-2306 03H
<b>Project:</b>	Sandoval County, NM	<b>TVD Reference:</b>	16' KB @ 7005.0ft
<b>Reference Site:</b>	S22-T23N-R6W	<b>MD Reference:</b>	16' KB @ 7005.0ft
<b>Site Error:</b>	0.0ft	<b>North Reference:</b>	True
<b>Reference Well:</b>	GCU D22-2306 03H	<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

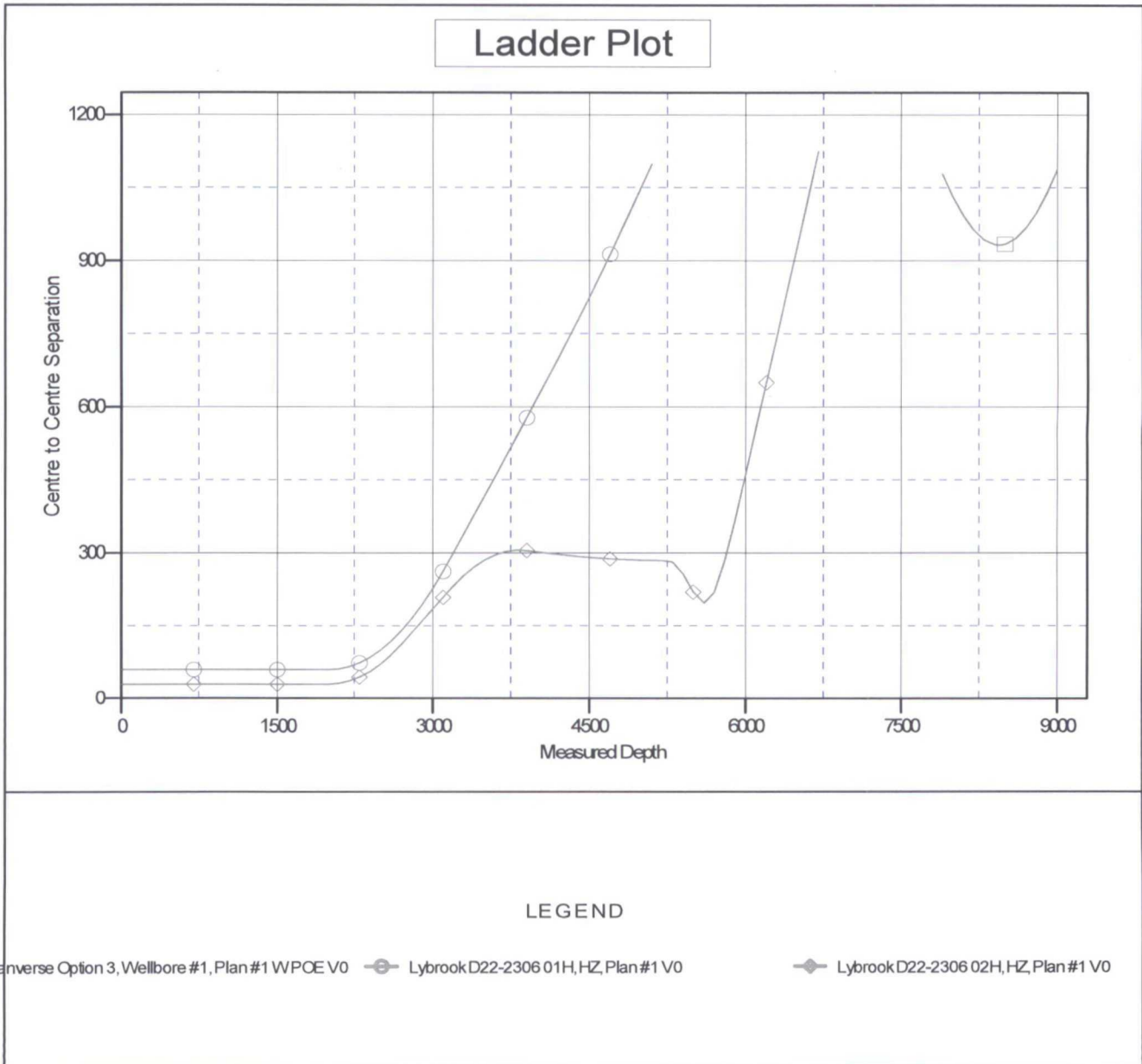
Offset Design S22-T23N-R6W - Lybrook D22-2306 02H - HZ - Plan #1													Offset Site Error:	0.0 ft
Survey Program: 0-Geolink MWD													Offset Well Error:	0.0 ft
Reference		Offset		Semi Major Axis			Distance						Warning	
Measured Depth (ft)	Vertical Depth (ft)	Measured Depth (ft)	Vertical Depth (ft)	Reference (ft)	Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Between Centres (ft)	Between Ellipses (ft)	Total Uncertainty Axis	Separation Factor		
5,200.0	5,001.1	5,274.1	5,102.3	20.9	17.8	-153.44	-763.4	-292.6	284.6	259.6	24.96	11.401		
5,300.0	5,092.9	5,409.4	5,222.8	21.6	18.9	-151.96	-818.2	-319.7	281.3	254.9	26.40	10.657		
5,400.0	5,183.9	5,564.6	5,350.1	22.3	20.3	-143.97	-876.3	-385.6	257.2	232.8	24.48	10.508		
5,500.0	5,270.9	5,679.9	5,431.8	23.1	21.5	-148.90	-913.7	-457.7	219.9	200.5	19.43	11.316		
5,600.0	5,351.1	5,752.1	5,475.5	24.0	22.3	-158.52	-933.8	-511.4	197.8	177.6	20.24	9.772		
5,606.8	5,356.2	5,755.7	5,477.5	24.0	22.4	-159.00	-934.8	-514.2	197.7	177.3	20.40	9.692		
5,700.0	5,422.1	5,791.8	5,496.8	24.9	22.8	-161.83	-943.7	-543.4	219.2	198.1	21.15	10.367		
5,800.0	5,481.8	5,809.5	5,505.7	25.9	23.0	-157.16	-947.8	-558.2	282.3	263.3	19.03	14.830		
5,900.0	5,528.4	5,812.4	5,507.1	26.9	23.1	-142.05	-948.4	-560.6	367.4	348.1	19.26	19.073		
6,000.0	5,560.4	5,800.0	5,501.0	28.1	22.9	-110.12	-945.6	-550.2	461.1	432.1	29.06	15.868		
6,100.0	5,576.8	5,789.5	5,495.6	29.2	22.8	-78.12	-943.1	-541.5	556.4	524.7	31.78	17.508		
6,200.0	5,578.6	5,768.8	5,484.7	30.4	22.5	-64.86	-938.1	-524.7	650.0	620.5	29.56	21.988		
6,300.0	5,577.8	5,750.0	5,474.3	31.7	22.3	-64.10	-933.3	-509.8	743.8	712.6	31.12	23.896		
6,400.0	5,576.9	5,732.4	5,464.2	33.1	22.1	-63.40	-928.6	-496.2	838.2	805.5	32.70	25.632		
6,500.0	5,576.0	5,717.2	5,455.1	34.5	21.9	-62.79	-924.5	-484.7	933.3	899.0	34.30	27.209		
6,600.0	5,575.1	5,700.0	5,444.5	36.0	21.7	-62.10	-919.6	-472.0	1,028.9	993.0	35.88	28.680		
6,700.0	5,574.3	5,700.0	5,444.5	37.6	21.7	-62.10	-919.6	-472.0	1,125.0	1,087.4	37.63	29.894		

# Anticollision Report

<b>Company:</b> EnCana Oil & Gas (USA) Inc	<b>Local Co-ordinate Reference:</b> Well GCU D22-2306 03H
<b>Project:</b> Sandoval County, NM	<b>TVD Reference:</b> 16' KB @ 7005.0ft
<b>Reference Site:</b> S22-T23N-R6W	<b>MD Reference:</b> 16' KB @ 7005.0ft
<b>Site Error:</b> 0.0ft	<b>North Reference:</b> True
<b>Reference Well:</b> GCU D22-2306 03H	<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 @ 7005.0ft  
 Offset Depths are relative to Offset Datum  
 Central Meridian is -106.250000 °

Coordinates are relative to: GCU D22-2306 03H  
 Coordinate System is US State Plane 1983, New Mexico Central Zone  
 Grid Convergence at Surface is: -0.72°





**Gallo Canyon Unit D22-2306 03H**  
**SHL: NWNW Section 22, T23N, R6W**  
**1045 FNL and 649 FWL**  
**BHL: SESW Section 22, T23N, R6W**  
**330 FSL and 2380 FWL**  
**Sandoval County, New Mexico**  
**Lease Number: NMNM 131017X**

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 4 to 5 weeks.
- C. Pipeline  
See Standard SF-299 Application for authorization to construct, operate, maintain and terminate a 489 foot, up to 6-inch outside diameter, buried steel well connect pipeline that was submitted to the Bureau of Land Management. Final modifications to the SF-299 will be submitted concurrently with the APD.

## **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 practical. Residual fluids will be vacuumed from the storage tanks and disposed of at Basin Disposal, 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. The closed-loop system storage tanks will be placed in bermed secondary containment sized to accommodate a minimum of 110 percent of the volume of the largest storage tank.
4. A 20-mil liner will be installed under tanks, pumps, ancillary facilities, and truck loading/unloading areas associated with the closed-loop system.

### C. Flowback Water

1. The water-based solution that flows back to the surface during and after completion operations will be placed in storage tanks on the location.
2. Flowback water will be confined to a storage tank for a period not to exceed 90 days after initial production and will be disposed of at Basin Disposal, Inc. and/or Industrial Ecosystem, Inc. waste disposal facilities.

- D. Spills – any spills of non-freshwater fluids will be immediately cleaned up and removed to an approved disposal site. Encana will also notify the BLM within 24 hours of any spill.

**ENCANA OIL & GAS (USA) INC.**  
GALLO CANYON UNIT D22-2306 #03H  
1045' FNL & 649' FWL  
LOCATED IN THE NW/4 NW/4 OF SECTION 22,  
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 STATE HWY 403 (M.P. 97.1).
- 2) TURN LEFT ONTO HWY 403 AND GO 0.5 MILES TO FACILITY PAD WHERE ACCESS IS STAKED ON WEST SIDE OF FACILITY PAD.

WELL FLAG LOCATED AT LAT. 36.214783° N, LONG. 107.462459° W (NAD 83).





WELLHEAD BLOWOUT CONTROL SYSTEM

**encana**

Well Name and Number:  
GCU D22-2306 03H

