State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin Cabinet Secretary David R. Catanach Division Director Oil Conservation Division



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

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.

| to the details approved by 22 m on the lone wing 22 m on | P Marine |
|--|----------|
| Operator Signature Date: <u>3/25/15</u> | |
| Well information; | 11 |
| Operator Encana, Well Name and Number Lybrook P24A - 2206 | # 11 |
| API# 30-043-21270 , Section 24, Township 22 N/S, Range 6 | EW |
| Conditions of Approval: | |
| (See the below checked and handwritten conditions) | |
| (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 | |
| O Spacing rule violation. Operator must follow up with change of status notification | on othe |

- 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 NOIA for corrected C-102 recident 1-27-16

NMOCD Approved by Signature

2-4-20/6 Date 0V Form 3160-3 (March 2012)

RECEIVED

UNITED STATES

OIL CONS. DIV DIST. 3

DEC 1 6

7 014

| 9 | 2015 | OMB No. 1004-013 Expires October 31, 20 |
|---|------|--|
| | | F Lance Carial No. |

| | MAR 2 6 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT | | | | | | | |
|--|--|-------------------|--|--------------------------|--|--|--|--|
| APPLICATION FOR PERMIT T | APPLICATION FOR PERMIT TO DRILL OR REENTER | | | | | | | |
| la. Type of the company of the compa | 7 If Unit or CA Agreeme | ent, Name and No. | | | | | | |
| lb. Type of Well: ✓ Oil Well ☐ Gas Well ☐ Other | ✓ Single Zone M | ultiple Zone | 8. Lease Name and Well Lybrook P24A-2206 0 | T:7077 | | | | |
| 2. Name of Operator Encana Oil & Gas (USA) Inc. | | | 9. API Well No. | -21270 | | | | |
| 3a. Address 370 17th Street, Suite 1700 Denver, CO 80202 | 3b. Phone No. (include area code 720-876-5994 |) | 10. Field and Pool, or Exp Wildcat Gallup | | | | | |
| Location of Well (Report location clearly and in accordance with At surface 626' FSL and 731' FEL Section 24, T22N, At proposed prod. zone 330' FSL and 1780' FEL Section 24. | R6W | -1 (| 11. Sec., T. R. M. or Blk. a Section 24, T22N, R6 | | | | | |
| 14. Distance in miles and direction from nearest town or post office* +/- 62.5 miles South from the intersection of HWY 64 | and HWY 550 in Bloomfield, N | и | 12. County or Parish Sandoval | 13. State NM | | | | |
| 15. Distance from proposed* location to nearest property or lease line, ft. T22N, R6W (Also to nearest drig. unit line, if any) | 16. No. of acres in lease NMNM 117563 - 1,120 acres | | ing Unit dedicated to this well acres- W2E2 Section 25, | | | | | |
| 18. Distance from proposed location* SHL +/-30' N Lybrook to nearest well, drilling, completed, P24A-2206 02H applied for, on this lease, ft. | 19. Proposed Depth 5,283' TVD; 10,652' MD | 20. BLM COB-0 | M/BIA Bond No. on file | | | | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,207' GL 7,223' KB | 22. Approximate date work wil 11/05/2015 | l start* | 23. Estimated duration 20 Days | | | | | |
| | 24. Attachments | | | | | | | |
| The following, completed in accordance with the requirements of Or | shore Oil and Gas Order No.1, must | be attached to | this form: | | | | | |
| Well plat certified by a registered surveyor. A Drilling Plan. | Item 20 abov | ve). | ions unless covered by an exi | isting bond on file (see | | | | |
| A Surface Use Plan (if the location is on National Forest Syst SUPO must be filed with the appropriate Forest Service Office). | | | nformation and/or plans as ma | ay be required by the | | | | |

25. Signature Name (Printed/Typed) Shawn Turk Title

Regulatory Analyst

Approved by (Signatu) Name (Printed/Typed) Title Office

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)

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

NMOCD A

DRILLING CONSTRUCTIONS ASPERSES ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

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



OIL CONS. DIV DIST. 3

1625 N. French Dr., Hobbs, NM 88240 Phone (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210

Phone (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone (505) 334-6178 Fax: (505) 334-6170

1220 S St. Francis Dr., Santa Fe, NM 87505 Phone (505) 478-3460 Fax: (505) 476-3462

Section

24

Township

22N

District IV

UI or lot no

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe. NM 87505

DEC 1 6 2015

Feet from the

731

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

East/West Line

EAST

District Office

County

SANDOVAL

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number 30 - 04 3 - 2 27 0 | ² Pool Code 97981 | ³ Pool Name WILDCAT UC 22N6W2DG2/lu |
|---|--|--|
| ⁴ Property Code | ⁵ Property Name LYBROOK P24A— | ⁶ Well Number |
| ⁷ OGRID No. 282327 | ⁸ Operator Name ENCANA OIL & GAS (| USA) INC. ⁹ Elevation 7207.3' |
| | ¹⁰ Surface Loca | tion |

North/South line

SOUTH

¹¹ Bottom Hole Location If Different From Surface

Feet from the

626

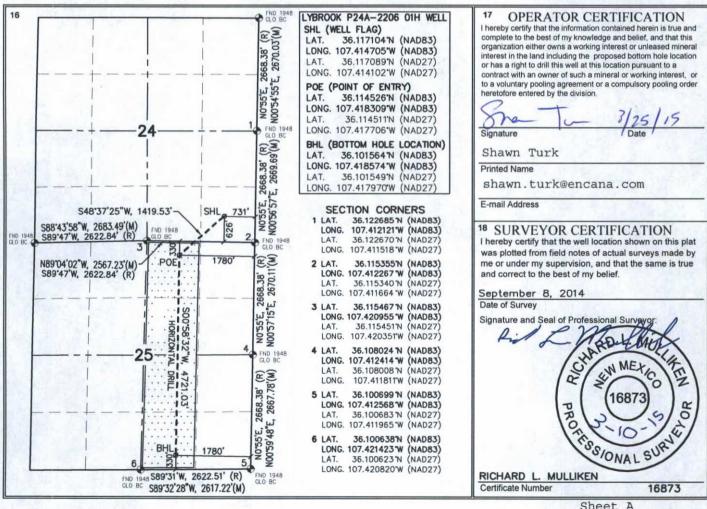
Range

06W

Lot Idn

| UL or lot no. | Section 25 | Township 22N | Range 06W | Lot Idn | Feet from the 330 | North/South line SOUTH | Feet from the 1780 | East/West Line EAST | SANDOVAL |
|-------------------|------------|-----------------|--------------|---------|-------------------------------|----------------------------------|-------------------------|------------------------|----------|
| 12 Dedicated Acre | | PR W/2 E/2 | OJECT ARE | | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.



SHL: 626' FSL, 731' FEL Sec 24, T22N, R6W BHL: 330' FSL, 1780' FEL Sec 25, T22N, R6W

Sandoval, New Mexico

Lease Number: NMNM 117563

Encana Oil & Gas (USA) Inc. Drilling Plan

1. ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)

The estimated tops of important geologic markers are as follows:

| Formation | Depth (TVD) units = feet |
|---------------------|--------------------------|
| San Jose Fn. | n/a |
| Nacimiento Fn. | surface |
| Ojo Alamo Ss. | 1,318 |
| Kirtland Shale | 1,524 |
| Fruitland Coal | 1,656 |
| Pictured Cliffs Ss. | 1,874 |
| Lewis Shale | 2,011 |
| Cliffhouse Ss. | 2,669 |
| Menefee Fn. | 3,378 |
| Point Lookout Ss. | 4,135 |
| Mancos Shale | 4,351 |
| Mancos Silt | 4,900 |
| Gallup Fn. | 5,168 |
| Base Gallup | 5,454 |

The referenced surface elevation is 7207', KB 7223'

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

| Substance | Formation | Depth (TVD) units = feet |
|-----------|---------------------|--------------------------|
| Water/Gas | Fruitland Coal | 1,656 |
| Oil/Gas | Pictured Cliffs Ss. | 1,874 |
| Oil/Gas | Cliffhouse Ss. | 2,669 |
| Gas | Menefee Fn. | 3,378 |
| Oil/Gas | Point Lookout Ss. | 4,135 |
| Oil/Gas | Mancos Shale | 4,351 |
| Oil/Gas | Mancos Silt | 4,900 |
| Oil/Gas | Gallup Fn. | 5,168 |

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

SHL: 626' FSL, 731' FEL Sec 24, T22N, R6W BHL: 330' FSL, 1780' FEL Sec 25, T22N, R6W

Sandoval, New Mexico

Lease Number: NMNM 117563

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).
- 1) 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# | Control of |
| Surface | 0'-500' | 12 1/4" | 9 5/8" | 36# | J55, STC New |
| Intermediate | 0'-5529' | 8 3/4" | 7" | 26# | J55, LTC New |
| Production Liner | 5429'-10652' | 6 1/8" | 4 1/2" | 11.6# | B80*, LTC New |

| Z Tre | Casir | ng String | g | Casing Strength Properties | | | Minimum Design Factors | | | |
|--------|--------------|-----------|----------------|----------------------------|-------------|-------------------|------------------------|-------|-------------|--|
| Size | Weight (ppf) | Grade | Connectio n | Collapse (psi) | Burst (psi) | Tensile (1000lbs) | Collapse | Burst | Tensio n | |
| 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.

SHL: 626' FSL, 731' FEL Sec 24, T22N, R6W BHL: 330' FSL, 1780' FEL Sec 25, T22N, R6W

Sandoval, New Mexico

Lease Number: NMNM 117563

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' | 228 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'-5529' | 100% open hole excess Stage 1 Lead: 515 sks Stage 1 Tail: 392 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 | 5429'- 10652' | 50% OH excess Stage 1 Blend Total: 295sks | Blend: 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 | 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 500'. Directional plans are attached.

| Description | Proposed Depth (TVD/MD) | Formation |
|-----------------------|-------------------------|-----------|
| Horizontal Lateral TD | 5283'/10652' | Gallup |

SHL: 626' FSL, 731' FEL Sec 24, T22N, R6W BHL: 330' FSL, 1780' FEL Sec 25, T22N, R6W

Sandoval, New Mexico

Lease Number: NMNM 117563

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'-5267'/5529 | 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" | 5267'/5529'- 5283'/10652' | 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 +/- 2528 psi based on a 9.0 ppg at 5402' TVD of the horizontal lateral target. No abnormal pressure or temperatures are anticipated.

No hydrogen sulfide gas is anticipated, however, if H₂S 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 November 5, 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.

| County: Sand | | Sec 24, T22N, R6W | E | | & Gas (USA) Inc. _SUMMARY | | | ENG: David Scadder RIG: Unassigned GLE: 7207 RKBE: 7223 | 3-24-15 |
|--|----------------------|--|---|--------|------------------------------|-----|--|--|-----------------|
| MWD | OPEN HOLE | | DEPTH | | ног | LE | CASING | MW | DEVIATION |
| LWD | LOGGING | FORM | TVD | MD | SIZ | ZE | SPECS | MUD TYPE | INFORMATION |
| | | | 60 | 60' | 26 | 6 | 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 | San Jose Fri. Nacimiento Fri. 9 5/8" Csg | surface | 500.00 | 12 1 | | 9 5/8" 36ppf J55 LTC TOC Surface with 100% OH Excess: 228 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° |
| | No OH logs | Ojo Alamo Ss. Kirtland Shale Fruitland Coal | 1,318 1,524 1,656 | | | | 7" 26ppf J55 LTC | Fresh Wtr | |
| Survey Every 60'-120', updating anticollision report after surveys. Stop operations and contact drilling engineer if | Noonlogs | Pictured Cliffs Ss. Lewis Shale Cliffhouse Ss. Menefee Fn. Point Lookout Ss. | 1,874 2,011 2,669 3,378 4,135 | | 8 3 | 3/4 | TOC @ surface (100% OH excess - 70% Lead 30% | 8.3-10 | Vertical <1° |
| separation factor approaches 1.5 | Mud logger onsite | Mancos Shale KOP | 4,351 500 | 500 | | | FL-52A + 0.4% Sodium Metasilicate. Mixed at 12.1 ppg. Yield 2.13 cuft/sk. Stage 1 Tail: 392 sks Type III Cement + 1% CaCl2 + 0.25#/sk Cello Flake + 0.2% FL-52A. Mixed at 14.6 ppg. Yield | | |
| Surveys every 30' through the curve | | Mancos Silt Gallup Fn. | 4,900 5,168 | | | , | 1.38 cuft/sk. | | |
| | | 7" Csg | 5,267 | 5,529 | ///- | - | | 100 | Horz Inc/TVD |
| Surveys every | 44 | | | | / 61 | 1/8 | 100' overlap at liner top | -10.5 | 91.2deg/5402ft |
| stand to TD | | Horizontal Target TD | 5,402 5,283 | 10,652 | | | 5123' Drilled Lateral | | TD = 10652.3 MD |
| unless directed | | 10 | 5,263 | 10,652 | | T | 3123 Dillieu Laterdi | 5 | |
| otherwise by Geologist | No OH Logs | Base Gallup | 5,454 | | | | 4 1/2" 11.6ppf SB80 LTC | WBM 8.3-10 | |
| MWD | | | ١. | | | | TOC @ hanger (50% OH excess) Stage 1 Total: 295sks | | |
| Gamma Directional | | | | | | - | Stage 1 Blend: 295 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 cutl/sk, | | |

NOTES:

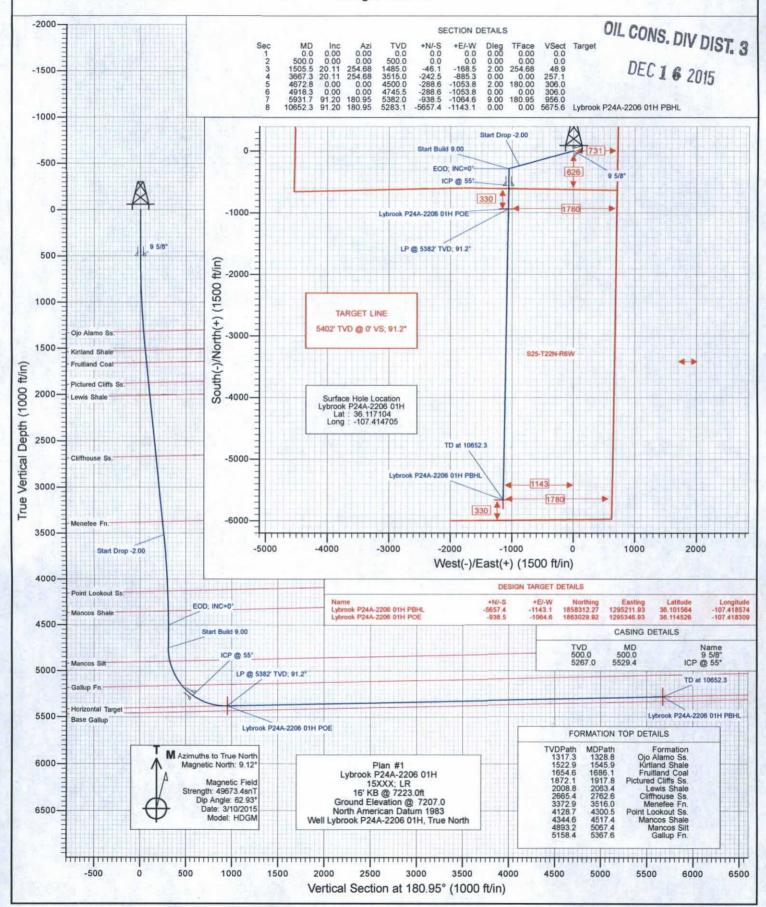
- 1) Drill with 26" bit to 60', set 16" 42.09ppf conductor pipe
- 2) Drill surface to 500', R&C 9 5/8" casing
- 3) N/U BOP and surface equipment
- 4) Drill to KOP of 500', 8 3/4 inch holesize
- 5) Start curve at 10deg/100' build rate
- 6) Drill to csg point of 5529' MD 7) R&C 7" csg, circ cmt to surface
- 8) Land at ~55 deg, drill lateral to 10652' run 4 1/2 inch cemented liner



Project: Sandoval County, NM Site: S24-T22N-R6W Well: Lybrook P24A-2206 01H

Wellbore: HZ Design: Plan #1





OIL CONS. DIV DIST. 3

Planning Report

DEC 1 6 2015

Database: USA EDM 5000 Multi Users DB
Company: EnCana Oil & Gas (USA) Inc
Project: Sandoval County, NM
Site: S24-T22N-R6W
Well: Lybrook P24A-2206 01H

Wellbore: HZ Design: Plan #1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Lybrook P24A-2206 01H

16' KB @ 7223.0ft 16' KB @ 7223.0ft

True

Minimum Curvature

Project Sandoval County, NM

Map System: Geo Datum: Map Zone:

US State Plane 1983 North American Datum 1983 New Mexico Central Zone System Datum:

Mean Sea Level

Site S24-T22N-R6W

Northing: 1,863,955.62 ft Site Position: Latitude: 36.117104 -107.414705 Lat/Long Easting: 1,296,422.70 ft Longitude: From: **Position Uncertainty:** 0.0 ft Slot Radius: 13.200 in **Grid Convergence:** -0.69

Well Lybrook P24A-2206 01H 36,117104 **Well Position** +N/-S 0.0 ft 1.863.955.62 ft Latitude: Northing: -107.414705 +E/-W 0.0 ft Easting: 1,296,422.70 ft Longitude: 0.0 ft Wellhead Elevation: 0.0 ft **Ground Level:** 7,207.0 ft **Position Uncertainty**

 Wellbore
 HZ

 Magnetics
 Model Name
 Sample Date
 Declination (°)
 Dip Angle (°)
 Field Strength (nT)

 HDGM
 3/10/2015
 9.12
 62.93
 49,673

Design Plan #1 **Audit Notes:** PLAN Tie On Depth: 0.0 Version: Phase: Depth From (TVD) +N/-S Vertical Section: +E/-W Direction (ft) (ft) (ft) (°) 180.95 0.0 0.0 0.0

| Measured | | | Vertical | | | Dogleg | Build | Turn | | |
|---------------|-----------------|----------------|---------------|---------------|---------------|-----------|-----------|-------------------|------------|----------------|
| Depth (ft) | Inclination (°) | Azimuth (°) | Depth (ft) | +N/-S (ft) | +E/-W (ft) | (°/100ft) | (°/100ft) | Rate (°/100ft) | TFO (°) | Target |
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 500.0 | 0.00 | 0.00 | 500.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,505.5 | 20.11 | 254.68 | 1,485.0 | -46.1 | -168.5 | 2.00 | 2.00 | 0.00 | 254.68 | |
| 3,667.3 | 20.11 | 254.68 | 3,515.0 | -242.5 | -885.3 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 4,672.8 | 0.00 | 0.00 | 4,500.0 | -288.6 | -1,053.8 | 2.00 | -2.00 | 0.00 | 180.00 | |
| 4,918.3 | 0.00 | 0.00 | 4,745.5 | -288.6 | -1,053.8 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 5,931.7 | 91.20 | 180.95 | 5,382.0 | -938.5 | -1,064.6 | 9.00 | 9.00 | 0.00 | 180.95 | |
| 10,652.3 | 91.20 | 180.95 | 5,283.1 | -5,657.4 | -1.143.1 | 0.00 | 0.00 | 0.00 | 0.00 Lyb | rook P24A-2206 |

Database: USA EDM 5000 Multi Users DB
Company: EnCana Oil & Gas (USA) Inc
Project: Sandoval County, NM

 Site:
 \$24-T22N-R6W

 Well:
 Lybrook P24A-2206 01H

Wellbore: HZ Design: Plan #1 Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Well Lybrook P24A-2206 01H

16' KB @ 7223.0ft 16' KB @ 7223.0ft

True

| easured | | | Vertical | | | Vertical | Dogleg | Build | Comments / |
|---------|-------------|---------|----------|--------|----------|----------|-----------|-----------|---------------------|
| Depth | Inclination | Azimuth | Depth | +N/-S | +E/-W | Section | Rate | Rate | Formations |
| (ft) | (°) | (°) | (ft) | (ft) | (ft) | (ft) | (°/100ft) | (°/100ft) | |
| 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 | KOP @ 500' - 9 5/8" |
| 600.0 | 2.00 | 254.68 | 600.0 | -0.5 | -1.7 | 0.5 | 2.00 | 2.00 | |
| 700.0 | 4.00 | 254.68 | 699.8 | -1.8 | -6.7 | 2.0 | 2.00 | 2.00 | |
| 800.0 | 6.00 | 254.68 | 799.5 | -4.1 | -15.1 | 4.4 | 2.00 | 2.00 | |
| 900.0 | 8.00 | 254.68 | 898.7 | -7.4 | -26.9 | 7.8 | 2.00 | 2.00 | |
| 1,000.0 | 10.00 | 254.68 | 997.5 | -11.5 | -42.0 | 12.2 | 2.00 | 2.00 | |
| 1,100.0 | 12.00 | 254.68 | 1,095.6 | -16.5 | -60.4 | 17.5 | 2.00 | 2.00 | |
| 1,200.0 | 14.00 | 254.68 | 1,193.1 | -22.5 | -82.1 | 23.8 | 2.00 | 2.00 | |
| 1,300.0 | 16.00 | 254.68 | 1,289.6 | -29.3 | -107.0 | 31.1 | 2.00 | 2.00 | |
| 1,328.8 | 16.58 | 254.68 | 1,317.3 | -31.4 | -114.8 | 33.3 | 2.00 | 2.00 | Ojo Alamo Ss. |
| 1,400.0 | 18.00 | 254.68 | 1,385.3 | -37.0 | -135.2 | 39.3 | 2.00 | 2.00 | |
| 1,500.0 | 20.00 | 254.68 | 1,479.8 | -45.6 | -166.6 | 48.4 | 2.00 | 2.00 | |
| 1,505.5 | 20.11 | 254.68 | 1,485.0 | -46.1 | -168.5 | 48.9 | 2.00 | 2.00 | |
| 1,545.9 | 20.11 | 254.68 | 1,522.9 | -49.8 | -181.8 | 52.8 | 0.00 | | Kirtland Shale |
| 1,600.0 | 20.11 | 254.68 | 1,573.7 | -54.7 | -199.8 | 58.0 | 0.00 | 0.00 | |
| 1,686.1 | 20.11 | 254.68 | 1,654.6 | -62.5 | -228.4 | 66.3 | 0.00 | 0.00 | Fruitland Coal |
| 1,700.0 | 20.11 | 254.68 | 1,667.6 | -63.8 | -233.0 | 67.7 | 0.00 | 0.00 | |
| 1,800.0 | 20.11 | 254.68 | 1,761.5 | -72.9 | -266.1 | 77.3 | 0.00 | 0.00 | |
| 1,900.0 | 20.11 | 254.68 | 1,855.4 | -82.0 | -299.3 | 86.9 | 0.00 | 0.00 | |
| 1,917.8 | 20.11 | 254.68 | 1,872.1 | -83.6 | -305.2 | 88.6 | 0.00 | 0.00 | Pictured Cliffs Ss. |
| 2,000.0 | 20.11 | 254.68 | 1,949.3 | -91.0 | -332.4 | 96.5 | 0.00 | 0.00 | |
| 2,063.4 | 20.11 | 254.68 | 2,008.8 | -96.8 | -353.5 | 102.6 | 0.00 | 0.00 | Lewis Shale |
| 2,100.0 | 20.11 | 254.68 | 2,043.2 | -100.1 | -365.6 | 106.2 | 0.00 | 0.00 | |
| 2,200.0 | 20.11 | 254.68 | 2,137.1 | -109.2 | -398.8 | 115.8 | 0.00 | 0.00 | |
| 2,300.0 | 20.11 | 254.68 | 2,231.0 | -118.3 | -431.9 | 125.4 | 0.00 | 0.00 | |
| 2,400.0 | 20.11 | 254.68 | 2,324.9 | -127.4 | -465.1 | 135.1 | 0.00 | 0.00 | |
| 2,500.0 | 20.11 | 254.68 | 2,418.9 | -136.5 | -498.2 | 144.7 | 0.00 | 0.00 | |
| 2,600.0 | 20.11 | 254.68 | 2,512.8 | -145.5 | -531.4 | 154.3 | 0.00 | 0.00 | |
| 2,700.0 | 20.11 | 254.68 | 2,606.7 | -154.6 | -564.6 | 164.0 | 0.00 | 0.00 | |
| 2,762.6 | 20.11 | 254.68 | 2,665.4 | -160.3 | -585.3 | 170.0 | 0.00 | 0.00 | Cliffhouse Ss. |
| 2,800.0 | 20.11 | 254.68 | 2,700.6 | -163.7 | -597.7 | 173.6 | 0.00 | 0.00 | |
| 2,900.0 | 20.11 | 254.68 | 2,794.5 | -172.8 | -630.9 | 183.2 | 0.00 | 0.00 | |
| 3,000.0 | 20.11 | 254.68 | 2,888.4 | -181.9 | -664.1 | 192.8 | 0.00 | 0.00 | |
| 3,100.0 | 20.11 | 254.68 | 2,982.3 | -190.9 | -697.2 | 202.5 | 0.00 | 0.00 | |
| 3,200.0 | 20.11 | 254.68 | 3,076.2 | -200.0 | -730.4 | 212.1 | 0.00 | 0.00 | |
| 3,300.0 | 20.11 | 254.68 | 3,170.1 | -209.1 | -763.5 | 221.7 | 0.00 | 0.00 | |
| 3,400.0 | 20.11 | 254.68 | 3,264.0 | -218.2 | -796.7 | 231.4 | 0.00 | 0.00 | |
| 3,500.0 | 20.11 | 254.68 | 3,357.9 | -227.3 | -829.9 | 241.0 | 0.00 | 0.00 | |
| 3,516.0 | 20.11 | 254.68 | 3,372.9 | -228.7 | -835.2 | 242.5 | 0.00 | | Menefee Fn. |
| 3,600.0 | 20.11 | 254.68 | 3,451.8 | -236.4 | -863.0 | 250.6 | 0.00 | 0.00 | |
| 3,667.3 | 20.11 | 254.68 | 3,515.0 | -242.5 | -885.3 | 257.1 | 0.00 | 0.00 | Start Drop -2.00 |
| 3,700.0 | 19.46 | 254.68 | 3,545.8 | -245.4 | -896.0 | 260.2 | 2.00 | -2.00 | |
| 3,800.0 | 17.46 | 254.68 | 3,640.6 | -253.7 | -926.5 | 269.1 | 2.00 | -2.00 | |
| 3,900.0 | 15.46 | 254.68 | 3,736.5 | -261.2 | -953.9 | 277.0 | 2.00 | -2.00 | |
| 4,000.0 | 13.46 | 254.68 | 3,833.3 | -267.8 | -977.9 | 284.0 | 2.00 | -2.00 | |
| 4,100.0 | 11.46 | 254.68 | 3,931.0 | -273.5 | -998.7 | 290.0 | 2.00 | -2.00 | |
| 4,200.0 | 9.46 | 254.68 | 4,029.3 | -278.3 | -1,016.3 | 295.1 | 2.00 | -2.00 | |

Database: USA EDM 5000 Multi Users DB
Company: EnCana Oil & Gas (USA) Inc
Project: Sandoval County, NM
Site: S24-T22N-R6W

Site: S24-122N-R6W

Well: Lybrook P24A-2206 01H

Wellbore: HZ Design: Plan #1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Lybrook P24A-2206 01H

16' KB @ 7223.0ft 16' KB @ 7223.0ft

True

| easured | | | Vertical | | | Vertical | Dogleg | Build | Comments / |
|---------|----------------|---------|--------------------|----------|----------|----------|-----------|-----------|---------------------------|
| Depth | Inclination | Azimuth | Depth | +N/-S | +E/-W | Section | Rate | Rate | Formations |
| (ft) | (°) | (°) | (ft) | (ft) | (ft) | (ft) | (°/100ft) | (°/100ft) | |
| 4,300.0 | 7.46 | 254.68 | 4,128.2 | -282.2 | -1,030.4 | 299.2 | 2.00 | -2.00 | |
| 4,300.5 | 7.45 | 254.68 | 4,128.7 | -282.2 | -1,030.5 | 299.3 | 2.00 | | Point Lookout Ss. |
| 4,400.0 | 5.46 | 254.68 | 4,227.6 | -285.2 | -1,041.3 | 302.4 | 2.00 | -2.00 | |
| 4,500.0 | 3.46 | 254.68 | 4,327.3 | -287.2 | -1,048.8 | 304.6 | 2.00 | -2.00 | |
| 4,517.4 | 3.11 | 254.68 | 4,344.6 | -287.5 | -1,049.7 | 304.9 | 2.00 | -2.00 | Mancos Shale |
| 4,600.0 | 1.46 | 254.68 | 4,427.2 | -288.4 | -1,052.9 | 305.8 | 2.00 | -2.00 | |
| 4,672.8 | 0.00 | 0.00 | 4,500.0 | -288.6 | -1,053.8 | 306.0 | 2.00 | -2.00 | EOD; INC=0° |
| 4,700.0 | 0.00 | 0.00 | 4,527.2 | -288.6 | -1,053.8 | 306.0 | 0.00 | 0.00 | |
| 4,800.0 | 0.00 | 0.00 | 4,627.2 | -288.6 | -1,053.8 | 306.0 | 0.00 | 0.00 | |
| 4,900.0 | 0.00 | 0.00 | 4,727.2 | -288.6 | -1,053.8 | 306.0 | 0.00 | 0.00 | |
| 4,918.3 | 0.00 | 0.00 | 4,745.5 | -288.6 | -1,053.8 | 306.0 | 0.00 | | Start Build 9.00 |
| 5,000.0 | 7.35 | 180.95 | 4,826.9 | -293.8 | -1,053.9 | 311.3 | 9.00 | 9.00 | |
| 5,067.4 | 13.42 | 180.95 | 4,893.2 | -306.0 | -1,054.1 | 323.4 | 9.00 | | Mancos Silt |
| 5,100.0 | 16.35 | 180.95 | 4,924.7 | -314.3 | -1,054.2 | 331.8 | 9.00 | 9.00 | |
| 5,200.0 | 25.35 | 180.95 | 5,018.1 | -349.9 | -1,054.8 | 367.3 | 9.00 | 9.00 | |
| 5,300.0 | 34.35 | 180.95 | 5,104.7 | -399.6 | -1,055.6 | 417.1 | 9.00 | 9.00 | |
| 5,367.6 | 40.44 | 180.95 | 5,158.4 | -440.7 | -1,056.3 | 458.1 | 9.00 | | Gallup Fn. |
| 5,400.0 | 43.35 | 180.95 | 5,182.5 | -462.3 | -1,056.7 | 479.7 | 9.00 | 9.00 | |
| 5,500.0 | 52.35 | 180.95 | 5,249.5 | -536.3 | -1,057.9 | 553.8 | 9.00 | 9.00 | |
| 5,529.4 | 55.00 | 180.95 | 5,267.0 | -560.0 | -1,058.3 | 577.5 | 9.00 | 9.00 | ICP @ 55° |
| 5,600.0 | 61.35 | 180.95 | 5,304.2 | -620.0 | -1,059.3 | 637.4 | 9.00 | 9.00 | |
| 5,700.0 | 70.35 | 180.95 | 5,345.0 | -711.1 | -1,060.8 | 728.6 | 9.00 | 9.00 | |
| 5,800.0 | 79.35 | 180.95 | 5,371.1 | -807.5 | -1,062.4 | 825.0 | 9.00 | 9.00 | |
| 5,900.0 | 88.35 | 180.95 | 5,381.8 | -906.8 | -1,064.1 | 924.3 | 9.00 | 9.00 | |
| 5,931.7 | 91.20 | 180.95 | 5,382.0 | -938.5 | -1,064.6 | 956.0 | 9.00 | 9.00 | LP @ 5382' TVD; 91.2° |
| 5,931.7 | 91.20 | 180.95 | 5,382.0 | -938.5 | -1,064.6 | 956.0 | 0.00 | 0.00 | Lybrook P24A-2206 01H POE |
| 6,000.0 | 91.20 | 180.95 | 5,380.5 | -1,006.8 | -1,065.7 | 1,024.3 | 0.00 | 0.00 | |
| 6,100.0 | 91.20 | 180.95 | 5,378.4 | -1,106.8 | -1,067.4 | 1,124.3 | 0.00 | 0.00 | |
| 6,200.0 | 91.20 | 180.95 | 5,376.3 | -1,206.7 | -1,069.1 | 1,224.3 | 0.00 | 0.00 | |
| 6,300.0 | 91.20 | 180.95 | 5,374.2 | -1,306.7 | -1,070.7 | 1,324.3 | 0.00 | 0.00 | |
| 6,400.0 | 91.20 | 180.95 | 5,372.2 | -1,406.6 | -1,072.4 | 1,424.2 | 0.00 | 0.00 | |
| 6,500.0 | 91.20 | 180.95 | 5,370.1 | -1,506.6 | -1,074.0 | 1,524.2 | 0.00 | 0.00 | |
| 6,600.0 | 91.20 | 180.95 | 5,368.0 | -1,606.6 | -1,075.7 | 1,624.2 | 0.00 | 0.00 | |
| 6,700.0 | 91.20 | 180.95 | 5,365.9 | -1,706.5 | -1,077.4 | 1,724.2 | 0.00 | 0.00 | |
| 6,800.0 | 91.20 | 180.95 | 5,363.8 | -1,806.5 | -1,079.0 | 1,824.1 | 0.00 | 0.00 | |
| 6,900.0 | 91.20 | 180.95 | 5,361.7 | -1,906.5 | -1,080.7 | 1,924.1 | 0.00 | 0.00 | |
| 7,000.0 | 91.20 | 180.95 | 5,359.6 | -2,006.4 | -1,082.4 | 2,024.1 | 0.00 | 0.00 | |
| 7,100.0 | 91.20 | 180.95 | 5,357.5 | -2,106.4 | -1,084.0 | 2,124.1 | 0.00 | 0.00 | |
| 7,200.0 | 91,20 | 180.95 | 5,355.4 | -2,206.4 | -1,085.7 | 2,224.1 | 0.00 | 0.00 | |
| 7,300.0 | 91.20 | 180.95 | 5,353.3 | -2,306.3 | -1,087.3 | 2,324.0 | 0.00 | 0.00 | |
| 7,400.0 | 91.20 | 180.95 | 5,351.2 | -2,406.3 | -1,089.0 | 2,424.0 | 0.00 | 0.00 | |
| 7,500.0 | 91.20 | 180.95 | 5,349.1 | -2,506.3 | -1,090.7 | 2,524.0 | 0.00 | 0.00 | |
| 7,600.0 | 91.20 | 180.95 | 5,347.0 | -2,606.2 | -1,092.3 | 2,624.0 | 0.00 | 0.00 | |
| 7,700.0 | 91.20 | 180.95 | 5,344.9 | -2,706.2 | -1,094.0 | 2,723.9 | 0.00 | 0.00 | |
| 7,800.0 | 91.20 | 180.95 | 5,342.8 | -2,806.1 | -1,095.7 | 2,823.9 | 0.00 | 0.00 | |
| 7,900.0 | 91.20 | 180.95 | 5,342.0 | -2,906.1 | -1,093.7 | 2,923.9 | 0.00 | 0.00 | |
| 8,000.0 | 91.20 | 180.95 | 5,338.6 | -3,006.1 | -1,097.3 | 3,023.9 | 0.00 | 0.00 | |
| 8,100.0 | 91.20 | 180.95 | 5,336.6 | -3,106.0 | -1,100.6 | 3,123.9 | 0.00 | 0.00 | |
| 8,200.0 | 91.20 | 180.95 | 5,334.5 | -3,206.0 | -1,102.3 | 3,223.8 | 0.00 | 0.00 | |
| 8,300.0 | 91.20 | 180.95 | 5,332.4 | -3,206.0 | -1,102.3 | 3,323.8 | 0.00 | 0.00 | |
| 8,400.0 | | 180.95 | | -3,405.9 | -1,104.0 | 3,423.8 | 0.00 | 0.00 | |
| 8,500.0 | 91.20 91.20 | 180.95 | 5,330.3 5,328.2 | -3,405.9 | -1,105.6 | 3,523.8 | 0.00 | 0.00 | |

USA EDM 5000 Multi Users DB Database: Company: Project: EnCana Oil & Gas (USA) Inc Sandoval County, NM S24-T22N-R6W Site: Well:

Lybrook P24A-2206 01H

Wellbore: HZ Plan #1 Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Lybrook P24A-2206 01H

16' KB @ 7223.0ft 16' KB @ 7223.0ft

True

| 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 |
|---------------------------|-----------------|---------|---------------------------|---------------|---------------|-----------------------------|-----------------------------|----------------------------|--|
| 8,600.0 | 91.20 | 180.95 | 5,326.1 | -3,605.9 | -1,108.9 | 3,623.7 | 0.00 | 0.00 | |
| 8,700.0 | 91.20 | 180.95 | 5,324.0 | -3,705.8 | -1,110.6 | 3,723.7 | 0.00 | 0.00 | |
| 8,800.0 | 91.20 | 180.95 | 5,321.9 | -3,805.8 | -1,112.3 | 3,823.7 | 0.00 | 0.00 | |
| 8,900.0 | 91.20 | 180.95 | 5,319.8 | -3,905.7 | -1,113.9 | 3,923.7 | 0.00 | 0.00 | |
| 9,000.0 | 91.20 | 180.95 | 5,317.7 | -4,005.7 | -1,115.6 | 4,023.7 | 0.00 | 0.00 | |
| 9,100.0 | 91.20 | 180.95 | 5,315.6 | -4,105.7 | -1,117.3 | 4,123.6 | 0.00 | 0.00 | |
| 9,200.0 | 91.20 | 180.95 | 5,313.5 | -4,205.6 | -1,118.9 | 4,223.6 | 0.00 | 0.00 | |
| 9,300.0 | 91.20 | 180.95 | 5,311.4 | -4,305.6 | -1,120.6 | 4,323.6 | 0.00 | 0.00 | |
| 9,400.0 | 91.20 | 180.95 | 5,309.3 | -4,405.6 | -1,122.2 | 4,423.6 | 0.00 | 0.00 | |
| 9,500.0 | 91.20 | 180.95 | 5,307.2 | -4,505.5 | -1,123.9 | 4,523.6 | 0.00 | 0.00 | |
| 9,600.0 | 91.20 | 180.95 | 5,305.1 | -4,605.5 | -1,125.6 | 4,623.5 | 0.00 | 0.00 | |
| 9,700.0 | 91.20 | 180.95 | 5,303.0 | -4,705.5 | -1,127.2 | 4,723.5 | 0.00 | 0.00 | |
| 9,800.0 | 91.20 | 180.95 | 5,300.9 | -4,805.4 | -1,128.9 | 4,823.5 | 0.00 | 0.00 | |
| 9,900.0 | 91.20 | 180.95 | 5,298.9 | -4,905.4 | -1,130.6 | 4,923.5 | 0.00 | 0.00 | |
| 10,000.0 | 91.20 | 180.95 | 5,296.8 | -5,005.4 | -1,132.2 | 5,023.4 | 0.00 | 0.00 | |
| 10,100.0 | 91.20 | 180.95 | 5,294.7 | -5,105.3 | -1,133.9 | 5,123.4 | 0.00 | 0.00 | |
| 10,200.0 | 91.20 | 180.95 | 5,292.6 | -5,205.3 | -1,135.5 | 5,223.4 | 0.00 | 0.00 | |
| 10,300.0 | 91.20 | 180.95 | 5,290.5 | -5,305.2 | -1,137.2 | 5,323.4 | 0.00 | 0.00 | |
| 10,400.0 | 91.20 | 180.95 | 5,288.4 | -5,405.2 | -1,138.9 | 5,423.4 | 0.00 | 0.00 | |
| 10,500.0 | 91.20 | 180.95 | 5,286.3 | -5,505.2 | -1,140.5 | 5,523.3 | 0.00 | 0.00 | |
| 10,600.0 | 91.20 | 180.95 | 5,284.2 | -5,605.1 | -1,142.2 | 5,623.3 | 0.00 | 0.00 | |
| 10,652.3 | 91.20 | 180.95 | 5,283.1 | -5,657.4 | -1,143.1 | 5,675.6 | 0.00 | 0.00 | TD at 10652.3 - Lybrook P24A-2206 01H PE |

| Targets | | | | | | | Edward Carlot | a prometrical | |
|--|------------------------|-----------------------|-----------------------|-------------------------|---------------------------|------------------|-----------------|---------------|-------------|
| Target Name - hit/miss target - Shape | Dip Angle | Dip Dir. | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (ft) | Easting (ft) | Latitude | Longitude |
| Lybrook P24A-2206 01H - plan misses target - Point | 0.00 center by 0.1f | 0.00 t at 5931.7ft | 5,381.9 MD (5382.0 | -938.5 TVD, -938.5 N | -1,064.6 N, -1064.6 E) | 1,863,029.92 | 1,295,346.93 | 36.114526 | -107,418309 |
| Lybrook P24A-2206 01H - plan hits target cen - Point | 0.00 ter | 0.00 | 5,283.1 | -5,657.4 | -1,143.1 | 1,858,312.27 | 1,295,211.93 | 36.101564 | -107,418574 |

| asing Points | A Company of the last | | | THE RESERVE TO SHARE THE PARTY OF THE PARTY | | |
|--------------|-----------------------|----------|-----------|---|----------|----------|
| | Measured | Vertical | | | Casing | Hole |
| | Depth | Depth | | | Diameter | Diameter |
| | (ft) | (ft) | | Name | (in) | (in) |
| | 500.0 | 500.0 | 9 5/8" | | 0.000 | 0.000 |
| | 5,529.4 | 5,267.0 | ICP @ 55° | | 0.000 | 0.000 |

Database: USA EDM 5000 Multi Users DB
Company: EnCana Oil & Gas (USA) Inc
Project: Sandoval County, NM
Site: S24-T22N-R6W
Well: Lybrook P24A-2206 01H

Wellbore: HZ Design: Plan #1 Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well Lybrook P24A-2206 01H

16' KB @ 7223.0ft 16' KB @ 7223.0ft

True

| Measured | Vertical | | | | Dip |
|----------|----------|---------------------|-----------|-------|-----------|
| Depth | Depth | | | Dip | Direction |
| (ft) | (ft) | Name | Lithology | (°) | (°) |
| 1,328.8 | 1,318.0 | Ojo Alamo Ss. | | -1.20 | 180.95 |
| 1,545.9 | 1,524.0 | Kirtland Shale | | -1.20 | 180.95 |
| 1,686.1 | 1,656.0 | Fruitland Coal | | -1.20 | 180.95 |
| 1,917.8 | 1,874.0 | Pictured Cliffs Ss. | | -1.20 | 180.95 |
| 2,063.4 | 2,011.0 | Lewis Shale | | -1.20 | 180.95 |
| 2,762.6 | 2,669.0 | Cliffhouse Ss. | | -1.20 | 180.95 |
| 3,516.0 | 3,378.0 | Menefee Fn. | | -1.20 | 180.95 |
| 4,300.5 | 4,135.0 | Point Lookout Ss. | | -1.20 | 180.95 |
| 4,517.4 | 4,351.0 | Mancos Shale | | -1.20 | 180.95 |
| 5,067.4 | 4,900.0 | Mancos Silt | | -1.20 | 180.95 |
| 5,367.6 | 5,168.0 | Gallup Fn. | | -1.20 | 180.95 |

| Measured | Vertical | Local Coor | dinates | | |
|---------------|---------------|---------------|---------------|-----------------------|--|
| Depth (ft) | Depth (ft) | +N/-S (ft) | +E/-W (ft) | Comment | |
| 500.0 | 500.0 | 0.0 | 0.0 | KOP @ 500' | |
| 1,505.5 | 1,485.0 | -46.1 | -168.5 | EOB; INC=20.11° | |
| 3,667.3 | 3,515.0 | -242.5 | -885.3 | Start Drop -2.00 | |
| 4,672.8 | 4,500.0 | -288.6 | -1,053.8 | EOD; INC=0° | |
| 4,918.3 | 4,745.5 | -288.6 | -1,053.8 | Start Build 9.00 | |
| 5,931.7 | 5,382.0 | -938.5 | -1,064.6 | LP @ 5382' TVD; 91.2° | |
| 10,652.3 | 5,283.1 | -5,657.4 | -1,143.1 | TD at 10652.3 | |

EnCana Oil & Gas (USA) Inc

Sandoval County, NM S24-T22N-R6W Lybrook P24A-2206 01H HZ Plan #1

Anticollision Report

25 March, 2015

Anticollision Report

EnCana Oil & Gas (USA) Inc Company:

Sandoval County, NM Project: Reference Site: S24-T22N-R6W

Site Error: 0.0ft

Reference Well: Lybrook P24A-2206 01H

Well Error: 0.0ft Reference Wellbore HZ

Reference Design: Plan #1

Well Lybrook P24A-2206 01H Local Co-ordinate Reference:

TVD Reference: 16' KB @ 7223.0ft MD Reference: 16' KB @ 7223.0ft

North Reference:

Survey Calculation Method: Minimum Curvature

Output errors are at 2.00 sigma

Database: USA EDM 5000 Multi Users DB

Offset TVD Reference: Offset Datum

Reference

Filter type: NO GLOBAL FILTER: Using user defined selection & filtering criteria

Stations Interpolation Method: Depth Range:

Results Limited by:

Unlimited

Maximum center-center distance of 1,000.0ft

Warning Levels Evaluated at: 2.00 Sigma Error Model:

Scan Method: **Error Surface:** Systematic Ellipse Closest Approach 3D

Elliptical Conic

| Survey Tool Program | | Date 3/25/2015 | | | |
|---------------------|--------|-------------------|-------------|-------------|--|
| From | То | | | | |
| (ft) | (ft) | Survey (Wellbore) | Tool Name | Description | |
| 0.0 | 10,652 | 2.3 Plan #1 (HZ) | Geolink MWD | Geolink MWD | |

| mmary | | | | | | |
|--------------------------------------|-----------|----------|---------|----------|---------------|---------|
| | Reference | Offset | Dista | nce | | |
| | Measured | Measured | Between | Between | Separation | Warning |
| Site Name | Depth | Depth | Centres | Ellipses | Factor | |
| Offset Well - Wellbore - Design | (ft) | (ft) | (ft) | (ft) | | |
| S24-T22N-R6W | | | | | | |
| Lybrook P24A-2206 02H - HZ - Plan #1 | 629.9 | 629.7 | 29.3 | 27.2 | 13.653 CC, ES | |
| Lybrook P24A-2206 02H - HZ - Plan #1 | 700.0 | 699.0 | 30.2 | 27.8 | 12.592 SF | |

Anticollision Report

MD Reference:

North Reference:

Company: EnCana Oil & Gas (USA) Inc

Project: Sandoval County, NM
Reference Site: S24-T22N-R6W

Site Error: 0.0ft

Reference Well: Lybrook P24A-2206 01H

Well Error: 0.0ft
Reference Wellbore HZ
Reference Design: Plan #1

Local Co-ordinate Reference: Well Lybrook P24A-2206 01H
TVD Reference: 16' KB @ 7223.0ft

16' KB @ 7223.0ft 16' KB @ 7223.0ft

Tru

Survey Calculation Method: Minimum Curvature

Output errors are at 2.00 sigma

Database: USA EDM 5000 Multi Users DB

Offset TVD Reference: Offset Datum

| Offset De | sign | S24-T2 | 2N-R6W - | Lybrook P | 24A-2206 | 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 | | | | | | | | | | | |
| Measured | Vertical | Measured | Vertical | Reference | Offset | Highside | Offset Wellbor | Centre | Between | Between | Total | Separation | Warning | |
| Depth | Depth | Depth | Depth | | | Toolface | +N/-S | +E/-W | Centres | Ellipses | Uncertainty | Factor | | |
| (ft) | (ft) | (ft) | (ft) | (ft) | (ft) | (°) | (ft) | (ft) | (ft) | (ft) | Axis | | | |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 180.00 | -29.9 | 0.0 | 29.9 | | | | | |
| 100.0 | 100.0 | 100.0 | 100.0 | 0.1 | 0.1 | 180.00 | -29.9 | 0.0 | 29.9 | 29.6 | 0.29 | 101.812 | | |
| 200.0 | 200.0 | 200.0 | 200.0 | 0.3 | 0.3 | 180.00 | -29.9 | 0.0 | 29.9 | 29.2 | 0.64 | 46.479 | | |
| 300.0 | 300.0 | 300.0 | 300.0 | 0.5 | 0.5 | 180.00 | -29.9 | 0.0 | 29.9 | 28.9 | 0.99 | 30.113 | | |
| 400.0 | 400.0 | 400.0 | 400.0 | 0.7 | 0.7 | 180.00 | -29.9 | 0.0 | 29.9 | 28.5 | 1.34 | 22.271 | | |
| 500.0 | 500.0 | 500.0 | 500.0 | 0.8 | 0.8 | 180.00 | -29.9 | 0.0 | 29.9 | 28.2 | 1.69 | 17.670 | | |
| 600.0 | 600.0 | 600.0 | 600.0 | 1.0 | 1.0 | -77.97 | -29.9 | 0.0 | 29.4 | 27.4 | 2.04 | 14.430 | | |
| 629.9 | 629.9 | 629.7 | 629.7 | 1.1 | 1.1 | -80.46 | -30.0 | 0.1 | 29.3 | 27.2 | 2.15 | 13.653 CC | , ES | |
| 700.0 | 699.8 | 699.0 | 699.0 | 1.2 | 1.2 | -89.98 | -31.0 | 1.3 | 30.2 | 27.8 | 2.40 | 12.592 SF | | |
| 800.0 | 799.5 | 797.2 | 797.0 | 1.4 | 1.4 | -108.14 | -34.3 | 5.1 | 36.4 | 33.6 | 2.78 | 13.116 | | |
| 900.0 | 898.7 | 894.1 | 893.5 | 1.7 | 1.6 | -123.58 | -39.7 | 11.4 | 50.4 | 47.2 | 3.15 | 15.992 | | |
| 1,000.0 | 997.5 | 990.2 | 989.0 | 1.9 | 1.8 | -133.55 | -46.9 | 19.8 | 71.7 | 68.2 | 3.53 | 20.332 | | |
| 1,100.0 | 1,095.6 | 1,086.3 | 1,084.5 | 2.3 | 2.0 | -140.08 | -54.5 | 28.6 | 97.3 | 93.4 | 3.91 | 24,875 | | |
| 1,200.0 | 1,193.1 | 1,181.6 | 1,179.0 | 2.7 | 2.2 | -144.67 | -61.9 | 37.2 | 126.4 | 122.1 | 4.30 | 29.377 | | |
| 1,300.0 | 1,289.6 | 1,275.7 | 1,272.5 | 3.2 | 2.5 | -148.10 | -69.3 | 45.8 | 158.9 | 154.2 | 4.70 | 33.812 | | |
| 1,400.0 | 1,385.3 | 1,368.7 | 1,364.8 | 3.7 | 2.7 | -150.76 | -76.6 | 54.3 | 194.7 | 189.6 | 5.10 | 38.178 | | |
| 1,505.5 | 1,485.0 | 1,465.4 | 1,460.8 | 4.3 | 3.0 | -152.99 | -84.2 | 63.1 | 235.9 | 230.3 | 5.52 | 42.714 | | |
| 1,600.0 | 1,573.7 | 1,551.3 | 1,546.1 | 4.9 | 3.2 | -154.85 | -90.9 | 70.9 | 274.5 | 268.5 | 5.91 | 46.408 | | |
| 1,700.0 | 1,667.6 | 1,642.2 | 1,636.3 | 5.5 | 3.4 | -156.33 | -98.0 | 79.1 | 315.5 | 309.2 | 6.33 | 49.842 | | |
| 1,800.0 | 1,761.5 | 1,733.1 | 1,726.6 | 6.1 | 3.7 | -157.47 | -105.2 | 87.4 | 356.7 | 350.0 | 6.75 | 52.865 | | |
| 1,900.0 | 1,855.4 | 1,824.0 | 1,816.9 | 6.8 | 3.9 | -158.37 | -112.3 | 95.7 | 398.0 | 390.8 | 7.17 | 55.544 | | |
| 2,000.0 | 1,949.3 | 1,915.0 | 1,907.1 | 7.4 | 4.2 | -159.11 | -119.4 | 103.9 | 439.3 | 431.8 | 7.58 | 57.932 | | |
| 2,100.0 | 2,043.2 | 2.005.9 | 1,997.4 | 8.1 | 4.4 | -159.72 | -126.5 | 112.2 | 480.7 | 472.7 | 8.00 | 60.072 | | |
| 2,200.0 | 2,137.1 | 2.096.8 | 2,087.6 | 8.7 | 4.6 | -160 23 | -133.7 | 120.5 | 522.2 | 513.8 | 8.42 | 62.000 | | |
| 2,300.0 | 2,231.0 | 2,187.7 | 2,177.9 | 9.3 | 4.9 | -160.67 | -140.8 | 128.8 | 563.6 | 554.8 | 8.84 | 63.745 | | |
| 2,400.0 | 2,324.9 | 2,278.6 | 2,268.2 | 10.0 | 5.1 | -161.04 | -147.9 | 137.0 | 605.1 | 595.9 | 9.26 | 65.333 | | |
| 2,500.0 | 2,418.9 | 2,369.6 | 2,358.4 | 10,6 | 5.4 | -161.37 | -155.0 | 145.3 | 646.6 | 637.0 | 9.68 | 66.783 | | |
| 2,600.0 | 2,512.8 | 2,460.5 | 2,448.7 | 11.3 | 5.6 | -161.66 | -162.2 | 153.6 | 688.2 | 678.1 | 10.10 | 68.111 | | |
| 2,700.0 | 2,606.7 | 2,551.4 | 2,538.9 | 11.9 | 5.9 | -161.92 | -169.3 | 161.8 | 729.7 | 719.2 | 10.52 | 69,333 | | |
| 2,800.0 | 2,700.6 | 2,642.3 | 2,629.2 | 12.6 | 6.1 | -162.15 | -176.4 | 170.1 | 771.2 | 760.3 | 10.95 | 70.461 | | |
| 2,900.0 | 2,794.5 | 2,733.2 | 2,719.5 | 13.2 | 6.4 | -162.35 | -183.5 | 178.4 | 812.8 | 801.4 | 11.37 | 71.505 | | |
| 2,000.0 | 2,104.0 | 2,100.2 | 2,7,10.0 | 15.2 | · | 102.00 | | | 0.2.0 | 001.4 | 11.07 | | | |
| 3,000.0 | 2,888.4 | 2,824.2 | 2,809.7 | 13.9 | 6.6 | -162.54 | -190.7 | 186.6 | 854.4 | 842.6 | 11.79 | 72.474 | | |
| 3,100.0 | 2,982.3 | 2,915.1 | 2,900.0 | 14.5 | 6.8 | -162.71 | -197.8 | 194.9 | 895.9 | 883.7 | 12.21 | 73.375 | | |
| 3,200.0 | 3,076.2 | 3,006.0 | 2,990.3 | 15.2 | 7.1 | -162.86 | -204.9 | 203.2 | 937.5 | 924.9 | 12.63 | 74.217 | | |
| 3,300.0 | 3,170.1 | 3,096.9 | 3,080.5 | 15.8 | 7.3 | -163.00 | -212.0 | 211.5 | 979.1 | 966.0 | 13.05 | 75.003 | | |

Anticollision Report

Company: EnCana Oil & Gas (USA) Inc Sandoval County, NM Project:

Reference Site: S24-T22N-R6W

Site Error:

Lybrook P24A-2206 01H Reference Well:

Well Error: 0.0ft Reference Wellbore HZ

Reference Design: Plan #1 Local Co-ordinate Reference: Well Lybrook P24A-2206 01H

TVD Reference: 16' KB @ 7223.0ft MD Reference: 16' KB @ 7223.0ft

North Reference:

Minimum Curvature Survey Calculation Method:

Output errors are at 2.00 sigma

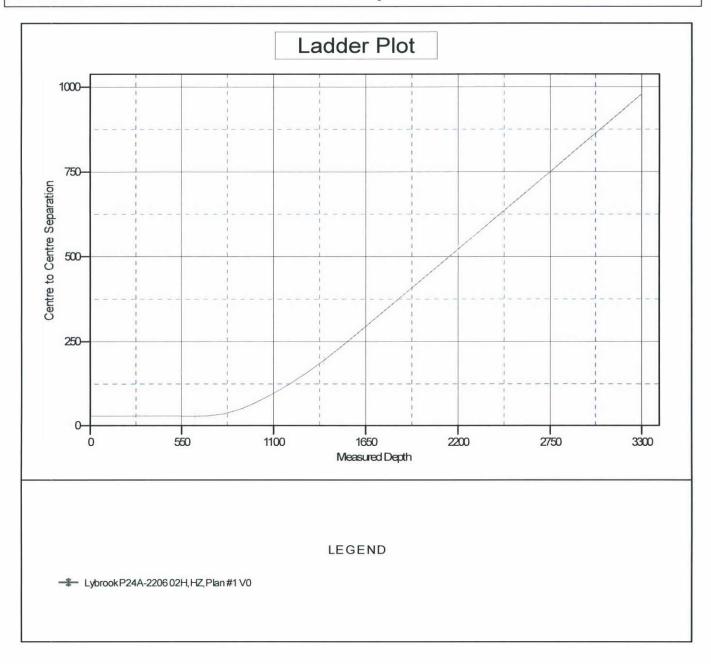
USA EDM 5000 Multi Users DB Database:

Offset TVD Reference: Offset Datum

Reference Depths are relative to 16' KB @ 7223.0ft Coordinates are relative to: Lybrook P24A-2206 01H

Offset Depths are relative to Offset Datum Coordinate System is US State Plane 1983, New Mexico Central Zone

Central Meridian is -106.250000 ° Grid Convergence at Surface is: -0.69°



SHL: SESE Section 24, T22N, R6W

626' FSL and 731' FEL

BHL: SWSE Section 25, T22N, R6W

330' FSL and 1780' FEL

Sandoval County, New Mexico Lease Number: NMNM 117563

inch outside diameter, buried steel well connect pipeline that was submitted to the BLM concurrently with this Application for Permit to Drill.

7. METHODS FOR HANDLING WASTE

A. Cuttings

- 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 aboveground 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

- 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.
- 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.
- 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.
- 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

- The water-based solution that flows back to the surface during and after completion operations will be placed in storage tanks on the location.
- 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.
- E. Sewage self-contained, chemical toilets will be provided for human waste disposal. The toilet holding tanks will be pumped, as needed, and the contents thereof disposed of in an approved sewage disposal facility. The toilets will be onsite during all operations.
- F. Garbage and other waste material garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash container during drilling and completion operations. The accumulated trash will be removed, as needed, and will be disposed of at an authorized sanitary landfill. No trash will be buried or burned on location.

ENCANA OIL & GAS (USA) INC.

LYBROOK P24A-2206 #01H
626' FSL & 731' FEL
LOCATED IN THE SE/4 SE/4 OF SECTION 24
T22N, R06W, N.M.P.M.
SANDOVAL COUNTY, NEW MEXICO
1.100' +/- OF NEW ACCESS ACROSS BLM LANDS

DIRECTIONS

- 1) FROM THE INTERSECTION OF HWY 64 & HWY 550 IN BLOOMFIELD, NEW MEXICO, TRAVEL SOUTH ON HWY 550 FOR 54.4 MILES TO COUNSELOR, NEW MEXICO, TO INDIAN SERVICE ROUTE 474.
- 2) TURN RIGHT (SOUTH) AND FOLLOW FOR 3.5 MILES TO AN INTERSECTION WITH AN OILFIELD SERVICE ROAD.
- 3) TURN LEFT (SOUTHEAST) AND FOLLOW 2.3 MILES TO A THREE WAY INTERSECTION. IT MUST BE NOTED THAT AT THIS POINT YOU ARE ENTERING THE JICARILLA APACHE NATION AND PERMIT IS REQUIRED TO ENTER AND USE THIS ACCESS ROAD.
- 4) TURN RIGHT (SOUTH) AND TRAVEL 2.1 MILES TO THE PROPOSED LYBROOK P24A-2206 ACCESS ROAD.
- 5) TURN RIGHT AND FOLLOW THE PROPOSED ACCESS ROAD SOUTHWEST FOR 0.2 MILES TO THE PROPOSED P24A-2206 LOCATION.
- 6) WELL FLAG LOCATED AT: LATITUDE: 36.117104° N, LONGITUDE: 107.414705° W (NAD 83)

