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.

Operator Signature Date: Well information;		
Operator Encana	, Well Name and Number	per Gallo Canyon Unit #211+
		hip 23 NS, Range 06 EW
	nd handwritten conditions) 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.

NMOCD Approved by Signature

RECEIVED

MAK 0 3 2016

Form 3160-3 (June 2015)

JAN 25 2016

FORM APPROVED OMB No. 1004-0137 Expires: January 31, 2018

UNITED STATES

	ANAGEMENTEAU of Land Mar	
APPLICATION FOR PERMIT TO	O DRILL OR REENTER	6. If Indian, Allotee or Tribe Name N/A
a. Type of work:	REENTER	7. If Unit or CA Agreement, Name and No. NMNM 131017X
Ib. Type of Well: ✓ Oil Well ☐ Gas Well Ic. Type of Completion: ✓ Hydraulic Fracturing	Other Single Zone Multiple Zone	Lease Name and Well No. Gallo Canyon Unit 211H
2. Name of Operator Encana Oil & Gas (USA) Inc.		9. API Well No. 30-043-21282
Ba. Address 370 17th Street, Suite 1700 Denver, CO 80202	3b. Phone No. (include area code, 720-876-3533	10. Field and Pool, or Exploratory Counselors Gallup-Dakota
At surface 257' FSL and 907' FEL Section 26, T23 At proposed prod. zone 330' FSL and 1390' FEL Se	BN, ROW SESE	Stt4 Section 26, T23N, R6W NMPM. Sec. 36, T23N, R6W NMPM.
14. Distance in miles and direction from nearest town or post-/- 55.0 miles southeast of the intersection of US Hwy		12. County or Parish 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' from south lease line Section 36	in NMNM_131017X-5,120 acres	17. Spacing Unit dedicated to this well 5.120 acres Sections 22-26, 34-36
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. +/- 30' East of GC 204H		20. BLM/BIA Bond No. in file COB-000235
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,870', KB 6,886' GL	22. Approximate date work will s 06/01/2016	tart* 23. Estimated duration 20 days
	24. Attachments	
		1.1 11 1 1 E

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- 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 requested by the

25. Signature Aals N	Name (Printed/Typed) Katie-Wegner	Date 1/21/14
Title Regulatory Analyst		
Approved by (Signature) Man le	Name (Printed/Typed)	Date 2/29/16
Title Regulatory Analyst	Office FFO	The state of the s

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

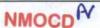
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

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

AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"





DISTRICT | 1625 N. French Dr., Hobbs, N.M. 68240 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 Brazos Rd., Aztec, 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) 476-3482

State of New Mexico Energy, Minerals & Natural Resources Department Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-043-24282	Pool Code 13379	Pool Name COUNSELORS GALLUP-DAKOTA
'Property Code 313261 315083	⁶ Property Name GALLO CANYON UNIT	*Well Number 211H
OGRID No. 282327	*Operator Name ENCANA OIL & GAS (USA) II	° Elevation NC. 6870'

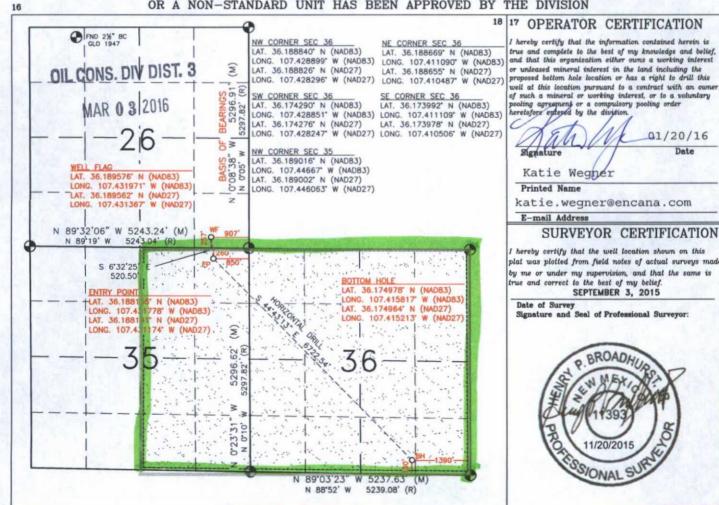
10 Surface Location

Dulluco Boduloli									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	26	23N	6W		257'	SOUTH	907'	EAST	SANDOVAL

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section 36	Township 23N	Range 6W	Lot Idn	Feet from the 330'	North/South line SOUTH	Feet from the 1390'	East/West line EAST	County SANDOVAL
E/2 Sec.	35 - 320 A 36 - 640 A	cres;	18 Joint or	Infill	¹⁴ Consolidation C	ode	15 Order No. R-13718-A - 5	5,120 Acres (COM	MMITTED)

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



Gallo Canyon Unit 211H

SHL: SE/4 SE/4 Sec 26 T23N R6W, 257' FSL, 907' FEL BHL: SW/4 SE/4 Sec 36 T23N R6W, 330' FSL, 1390' FEL

Sandoval, New Mexico

Lease Number: NMNM 131017X (NMNM 118128 & VO-9212)

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.	1,312	
Kirtland Shale	1,418	
Fruitland Coal	1,594	
Pictured Cliffs Ss.	1,846	
Lewis Shale	1,963	
Cliffhouse Ss.	2,669	
Menefee Fn.	3,395	
Point Lookout Ss.	4,087	
Mancos Shale	4,283	
Mancos Silt	4,872	
Gallup Fn.	5,128	
Base Gallup	5,439	

The referenced surface elevation is 6870', KB 6886'

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

Substance	Formation	Depth (TVD) units = feet	
Water/Gas	Fruitland Coal	1,594	
Oil/Gas	Pictured Cliffs Ss.	1,846	
Oil/Gas	Cliffhouse Ss.	2,669	
Gas	Menefee Fn.	3,395	
Oil/Gas	Point Lookout Ss.	4,087	
Oil/Gas	Mancos Shale	4,283	
Oil/Gas	Mancos Silt	4,872	
Oil/Gas Gallup Fn.		5,128	

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



SHL: SE/4 SE/4 Sec 26 T23N R6W, 257' FSL, 907' FEL BHL: SW/4 SE/4 Sec 36 T23N R6W, 330' FSL, 1390' FEL

Sandoval, New Mexico

Lease Number: NMNM 131017X (NMNM 118128 & VO-9212)

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#	N. A. Talenton
Surface	0'-500'	12 1/4"	9 5/8"	36#	J55, STC New
Intermediate	0'-5524'	8 3/4"	7"	26#	J55, LTC New
Production Liner	5424'-12247'	6 1/8"	4 1/2"	11.6#	B80*, LTC New

4,738	Casir	ng String	g	Ca	asing Strengt	h Properties	Minimum	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.

Gallo Canyon Unit 211H

SHL: SE/4 SE/4 Sec 26 T23N R6W, 257' FSL, 907' FEL BHL: SW/4 SE/4 Sec 36 T23N R6W, 330' FSL, 1390' FEL

Sandoval, New Mexico

Lease Number: NMNM 131017X (NMNM 118128 & VO-9212)

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					Sks Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52A +		228 sks Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52A +		1 per joint on bottom 3 joints	
Intermediate	0'-5524'	100% open hole excess Stage 1 Lead: 514 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	5424'- 12247'	50% OH excess Stage 1 Blend Total: 381sks	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 600'. Directional plans are attached.

Description	Proposed Depth (TVD/MD)	Formation
Horizontal Lateral TD	5156'/12247'	Gallup



SHL: SE/4 SE/4 Sec 26 T23N R6W, 257' FSL, 907' FEL BHL: SW/4 SE/4 Sec 36 T23N R6W, 330' FSL, 1390' FEL

Sandoval, New Mexico

Lease Number: NMNM 131017X (NMNM 118128 & VO-9212)

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'-5180'/5524	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"	5180'/5524'- 5156'/12247'	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.
- 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 +/- 2425 psi based on a 9.0 ppg at 5181' 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 June 1, 2016. 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.

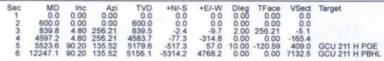
county: Sand		23N R6W, 257' FSL, 907' FE 211H	E		JSA) Inc.	ENG: 0 RIG: Unassigned GLE: 6870 RKBE: 6886	1/20/16
MWD	OPEN HOLE		DEPTH		HOLE CASING	MVV	DEVIATION
LWD	LOGGING	FORM	TVD	MD	SIZE SPECS	MUD TYPE	INFORMATION
			60	60'	16" 42.09# 26 100sx Type I Neat 16.0ppg cmt	Fresh wtr 8.3-9.2	
Multi-Well pad- take survey every stand and run anti- collision report prior to spud	None	San Jose Fn. Nacimiento Fn. 9 5/8" Csg	0 surface 500	500.00	9 5/8" 36ppf J55 LTC 12 1/4 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°
Survey Every 60'-120', updating anticollision report after surveys. Stop operations and contact drilling engineer if separation factor approaches 1.5 Surveys every 30' through the curve	No OH logs Mud logger onsite	Ojo Alarno Ss. Kirtland Shale Fruitland Coal Pictured Cliffs Ss. Lewis Shale Cliffhouse Ss. Menefee Fn. Point Lookout Ss. Mancos Shale KOP Mancos Sitt Gallup Fn.	1,312 1,418 1,594 1,846 1,963 2,669 3,395 4,087 4,283 600 4,872	600	7" 26ppf J55 LTC TOC @ surface (100% OH excess - 70% Lead 30% Tail) Stage 1 Total: 907sks Stage 1 Lead: 514 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: 392 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°
		7" Csg	5,180	5,524	1111		Horz Inc/TVD
Surveys every stand to TD unless	¥ .	Horizontal Target	5,181 5,156	12,247	6 1/8 100' overlap at liner top		90.2deg/5181ft TD = 12247.1 MD
directed otherwise by Geologist	No OH Logs	Base Gallup	5,439		4 1/2" 11.6ppf SB80 LTC TOC @ hanger (50% OH excess) Stage 1 Total: 381sks	WBM 8.3-10	
Gamma Directional					Stage 1 Blend: 381 sks Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwow Potassium Chlorids + 0.25tba/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.		

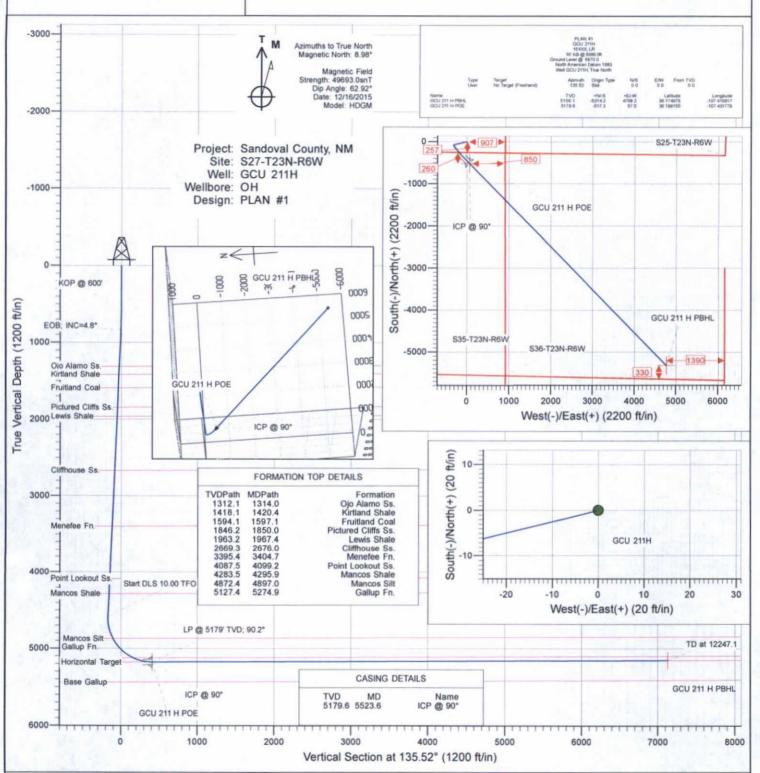
NOTES

- 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 600', 8 3/4 inch holesize
- 5) Start curve at 10deg/100' build rate
- 6) Drill to csg point of 5524' MD
- 7) R&C 7" csg, circ cmt to surface
- 8) Land at ~55 deg, drill lateral to 12247' run 4 1/2 inch cemented liner



SECTION DETAILS







CATHEDRAL

+N/-S +E/-W Northing Easting Latitude 0.0 0.0 1890399.56 1291644.07 36.189576

Longitude -107.431971

Database: Company:

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

Project: Site: Well:

Wellbore:

Design:

S27-T23N-R6W **GCU 211H** OH

PLAN #1

TVD Reference: MD Reference: North Reference: **Survey Calculation Method:**

Local Co-ordinate Reference:

Well GCU 211H 16' KB @ 6886.0ft 16' KB @ 6886.0ft

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

S27-T23N-R6W

Site Position: From: **Position Uncertainty:**

Lat/Long

Northing: Easting: Slot Radius:

1,890,314.91 ft 1,285,261,84 ft 13.200 in Latitude: Longitude: Grid Convergence:

-107.453592 -0.71 °

36.189128

Well **GCU 211H**

Well Position +N/-S

0.0 ft +E/-W 0.0 ft 0.0 ft

0.0 ft

Northing: Easting:

1,890,399.56 ft 1,291,644.07 ft Wellhead Elevation: 0.0 ft

Longitude: Ground Level:

Latitude:

36.189576 -107.431971 6,870.0 ft

Wellbore

Position Uncertainty

ОН

PLAN #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle	Field Strength (nT)
	HDGM	12/16/2015	8.98	62.92	49,693

Design

Audit Notes:

Version:

Phase:

PLAN

Tie On Depth:

0.0

Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (ft) (ft) (ft) (°) 0.0 0.0 0.0 135.52

an Sections										
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	
600.0	0.00	0.00	600.0	0.0	0.0	0.00	0.00	0.00	0.00	
839.8	4.80	256.21	839.5	-2.4	-9.7	2.00	2.00	0.00	256.21	
4,597.2	4.80	256.21	4,583.7	-77.3	-314.8	0.00	0.00	0.00	0.00	
5,523.6	90.20	135.52	5,179.6	-517.3	57.0	10.00	9.22	-13.03	-120.59	GCU 211 H POE
12,247.1	90.20	135.52	5,156.1	-5,314.2	4,768.2	0.00	0.00	0.00	0.00	GCU 211 H PBHL

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

Project: Site: Well:

Wellbore:

Design:

S27-T23N-R6W GCU 211H OH

PLAN #1

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference: Survey Calculation Method: Well GCU 211H 16' KB @ 6886.0ft 16' KB @ 6886.0ft

True

Minimum Curvature

easured			Vertical			Vertical	Dogleg	Build	Comments /
Depth (ft)	Inclination (°)	Azimuth	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Section (ft)	Rate (°/100ft)	Rate (°/100ft)	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	
								0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	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	
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	KOP @ 600'
700.0	2.00	256.21	700.0	-0.4	-1.7	-0.9	2.00	2.00	
800.0	4.00	256.21	799.8	-1.7	-6.8	-3.6	2.00	2.00	
839.8	4.80	256.21	839.5	-2.4	-9.7	-5.1	2.00		EOB; INC=4.8°
900.0	4.80	256.21	899.5	-3.6	-14.6	-7.7	0.00	0.00	
1,000.0	4.80	256.21	999.2	-5.6	-22.7	-12.0	0.00	0.00	
1,100.0	4.80	256.21	1,098.8	-7.6	-30.9	-16.2	0.00	0.00	
1,200.0	4.80	256.21	1,198.5	-9.6	-39.0	-20.5	0.00	0.00	
1,300.0	4.80	256.21	1,298.1	-11.6	-47.1	-24.8	0.00	0.00	
1,314.0	4.80	256.21	1,312.1	-11.8	-48.2	-25.3	0.00	0.00	Ojo Alamo Ss.
1,400.0	4.80	256.21	1,397.8	-13.6	-55.2	-29.0	0.00	0.00	
1,420.4	4.80	256.21	1,418.1	-14.0	-56.9	-29.9	0.00		Kirtland Shale
1,500.0	4.80	256.21	1,497.4	-15.6	-63.3	-33.3	0.00	0.00	
1,597.1	4.80	256.21	1,594.1	-17.5	-71.2	-37.4	0.00		Fruitland Coal
1,600.0	4.80	256.21	1,597.1	-17.5	-71.5	-37.5	0.00	0.00	
1,700.0	4.80	256.21	1,696.7	-19.5	-79.6	-41.8	0.00	0.00	
1,800.0	4.80	256.21	1,796.4	-21.5	-87.7	-46.1	0.00	0.00	
1,850.0	4.80	256.21	1,846.2	-22.5	-91.8	-48.2	0.00	0.00	Pictured Cliffs Ss.
1,900.0	4.80	256.21	1,896.0	-23.5	-95.8	-50.3	0.00	0.00	
1,967.4	4.80	256.21	1,963.2	-24.9	-101.3	-53.2	0.00	0.00	Lewis Shale
2,000.0	4.80	256.21	1,995.7	-25.5	-103.9	-54.6	0.00	0.00	
2,100.0	4.80	256.21	2,095.3	-27.5	-112.0	-58.9	0.00	0.00	
2,200.0	4.80	256.21	2,195.0	-29.5	-120.2	-63.1	0.00	0.00	
2,300.0	4.80	256.21	2,195.0	-31.5	-128.3	-67.4	0.00	0.00	
2,400.0	4.80	256.21	2,394.3	-33.5	-136.4	-71.7	0.00	0.00	
2,500.0	4.80	256.21	2,493.9	-35.5	-144.5	-75.9	0.00	0.00	
2,600.0	4.80	256.21	2,593.6	-37.5	-152.6	-80.2	0.00	0.00	
2,676.0	4.80	256.21	2,669.3	-39.0	-158.8	-83.5	0.00		Cliffhouse Ss.
2,700.0	4.80	256.21	2,693.2	-39.5	-160.8	-84.5	0.00	0.00	
2,800.0	4.80	256.21	2,792.9	-41.5	-168.9	-88.7	0.00	0.00	
2,900.0	4.80	256.21	2,892.5	-43.5	-177.0	-93.0	0.00	0.00	
3,000.0	4.80	256.21	2,992.2	-45.4	-185.1	-97.3	0.00	0.00	
3,100.0	4.80	256.21	3,091.8	-47.4	-193.2	-101.5	0.00	0.00	
3,200.0	4.80	256.21	3,191.5	-49.4	-201.4	-105.8	0.00	0.00	
3,300.0	4.80	256.21	3,291.1	-51.4	-209.5	-110.1	0.00	0.00	
3,400.0	4.80	256.21	3,390.8	-53.4	-217.6	-114.3	0.00	0.00	
3,404.7	4.80	256.21	3,395.4	-53.5	-218.0	-114.5	0.00		Menefee Fn.
3,500.0	4.80	256.21	3,490.4	-55.4	-225.7	-118.6	0.00	0.00	
3,600.0	4.80	256.21	3,590.1	-57.4	-233.8	-122.9	0.00	0.00	
3,700.0	4.80	256.21	3,689.7	-59.4	-241.9	-127.1	0.00	0.00	
3,800.0	4.80	256.21	3,789.4	-61.4	-250.1	-131.4	0.00	0.00	
3,900.0	4.80	256.21	3,889.0	-63.4	-258.2	-135.7	0.00	0.00	
							0.00	0.00	
4,000.0	4.80	256.21	3,988.7	-65.4 -67.4	-266.3 -274.3	-139.9 -144.2	0.00		Point Lookout Ss.
4,099.2	4.80	256.21	4,087.5						
4,100.0	4.80	256.21	4,088.3	-67.4	-274.4	-144.2	0.00	0.00	
4,200.0	4.80	256.21	4,188.0	-69.4	-282.5	-148.5	0.00	0.00	

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

Project: Site: Well: Wellbore:

Design:

S27-T23N-R6W GCU 211H OH PLAN #1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well GCU 211H 16' KB @ 6886.0ft 16' KB @ 6886.0ft

True

Minimum Curvature

leasured			Vertical			Vertical	Dogleg	Build	Comments /
Depth (ft)	Inclination (°)	Azimuth (°)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Section (ft)	Rate (°/100ft)	Rate (°/100ft)	Formations
4,295.9	4.80	256.21	4,283.5	-71.3	-290.3	-152.6	0.00	0.00	Mancos Shale
4,300.0	4.80	256.21	4,287.6	-71.4	-290.7	-152.7	0.00	0.00	
4,400.0	4.80	256.21	4,387.3	-73.4	-298.8	-157.0	0.00	0.00	
4,500.0	4.80	256.21	4,486.9	-75.3	-306.9	-161.3	0.00	0.00	
4,597.2	4.80	256.21	4,583.7	-77.3	-314.8	-165.4	0.00	0.00	Start DLS 10.00 TFO -120.59
4,600.0	4.66	253.19	4,586.6	-77.3	-315.0	-165.5	10.00	-4.86	
4,700.0	8.85	163.12	4,686.1	-85.9	-316.7	-160.6	10.00	4.20	
4,800.0	18.30	148.13	4,783.2	-106.7	-306.1	-138.4	10.00	9.44	
4,897.0	27.83	143.39	4,872.4	-137.8	-284.5	-101.0	10.00	9.82	Mancos Silt
4,900.0	28.12	143.29	4,875.0	-139.0	-283.7	-99.6	10.00	9.88	
5,000.0	38.03	140.82	4,958.7	-181.8	-250.0	-45.5	10.00	9.91	
5,100.0	47.97	139.26	5,031.7	-234.0	-206.2	22.4	10.00	9.94	
5,200.0	57.93	138.12	5,091.9	-293.8	-153.6	102.0	10.00	9.96	
5,274.9	65.40	137.42	5,127.4	-342.6	-109.3	167.9	10.00	9.97	Gallup Fn.
5,300.0	67.90	137.21	5,137.4	-359.5	-93.7	190.9	10.00	9.97	
5,400.0	77.87	136.42	5,166.8	-429.1	-28.3	286.3	10.00	9.97	
5,500.0	87.85	135.69	5,179.2	-500.5	40.4	385.4	10.00	9.97	
5,523.6	90.20	135.52	5,179.6	-517.3	57.0	409.0	10.00	9.97	LP @ 5179' TVD; 90.2° - ICP @ 90°
5,600.0	90.20	135.52	5,179.3	-571.8	110.5	485.4	0.00	0.00	
5,700.0	90.20	135.52	5,179.0	-643.2	180.6	585.4	0.00	0.00	
5,800.0	90.20	135.52	5,178.6	-714.5	250.6	685.4	0.00	0.00	
5,900.0	90.20	135.52	5,178.3	-785.9	320.7	785.4	0.00	0.00	
6,000.0	90.20	135.52	5,177.9	-857.2	390.8	885.4	0.00	0.00	
6,100.0	90.20	135.52	5,177.6	-928.6	460.8	985.4	0.00	0.00	
6,200.0	90.20	135.52	5,177.2	-999.9	530.9	1,085.4	0.00	0.00	
6,300.0	90.20	135.52	5,176.9	-1,071.2	601.0	1,185.4	0.00	0.00	
6,400.0	90.20	135.52	5,176.5	-1,142.6	671.1	1,285.4	0.00	0.00	
6,500.0	90.20	135.52	5,176.2	-1,213.9	741.1	1,385.4	0.00	0.00	
6,600.0	90.20	135.52	5,175.8	-1,285.3	811.2	1,485.4	0.00	0.00	
6,700.0	90.20	135.52	5,175.5	-1,356.6	881.3	1,585.4	0.00	0.00	
6,800.0	90.20	135.52	5,175.1	-1,428.0	951.3	1,685.4	0.00	0.00	
6,900.0	90.20	135.52	5,174.8	-1,499.3	1,021.4	1,785.4	0.00	0.00	
7,000.0	90.20	135.52	5,174.4	-1,570.7	1,091.5	1,885.4	0.00	0.00	
7,100.0	90.20	135.52	5,174.1	-1,642.0	1,161.5	1,985.4	0.00	0.00	
7,200.0	90.20	135.52	5,173.7	-1,713.3	1,231.6	2,085.4	0.00	0.00	
7,300.0	90.20	135.52	5,173.4	-1,784.7	1,301.7	2,185.4	0.00	0.00	
7,400.0	90.20	135.52	5,173.0	-1,856.0	1,371.8	2,285.4	0.00	0.00	
7,500.0	90.20	135.52	5,172.7	-1,927.4	1,441.8	2,385.4	0.00	0.00	
7,600.0	90.20	135.52	5,172.3	-1,998.7	1,511.9	2,485.4	0.00	0.00	
7,700.0	90.20	135.52	5,172.0	-2,070.1	1,582.0	2,585.4	0.00	0.00	
7,800.0	90.20	135.52	5,171.6	-2,141.4	1,652.0	2,685.4	0.00	0.00	
7,900.0	90.20	135.52	5,171.3	-2,212.8	1,722.1	2,785.4	0.00	0.00	
8,000.0	90.20	135.52	5,170.9	-2,284.1	1,792.2	2,885.4	0.00	0.00	
8,100.0	90.20	135.52	5,170.6	-2,355.4	1,862.2	2,985.4	0.00	0.00	
8,200.0	90.20	135.52	5,170.2	-2,426.8	1,932.3	3,085.4	0.00	0.00	
8,300.0	90.20	135.52	5,169.9	-2,498.1	2,002.4	3,185.4	0.00	0.00	
8,400.0	90.20	135.52	5,169.5	-2,569.5	2,072.5	3,285.4	0.00	0.00	
8,500.0	90.20	135.52	5,169.2	-2,640.8	2,142.5	3,385.4	0.00	0.00	
8,600.0	90.20	135.52	5,168.8	-2,712.2	2,212.6	3,485.4	0.00	0.00	
8,700.0	90.20	135.52	5,168.5	-2,783.5	2,282.7	3,585.4	0.00	0.00	
8,800.0	90.20	135.52	5,168.1	-2,854.9	2,352.7	3,685.4	0.00	0.00	
8,900.0	90.20	135.52	5,167.8	-2,926.2	2,422.8	3,785.4	0.00	0.00	

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

Project: Site: Well:

Wellbore:

Design:

S27-T23N-R6W **GCU 211H** ОН

PLAN #1

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method:

Well GCU 211H

16' KB @ 6886.0ft 16' KB @ 6886.0ft

Minimum Curvature

ed Surve	у								
Depth (ft)	Inclination (°)	Azimuth	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
9,000.0	90.20	135.52	5,167.4	-2,997.5	2,492.9	3,885.4	0.00	0.00	
9,100.0	90.20	135.52	5,167.1	-3,068.9	2,563.0	3,985.4	0.00	0.00	
9,200.0	90.20	135.52	5,166.7	-3,140.2	2,633.0	4.085.4	0.00	0.00	
9,300.0	90.20	135.52	5,166.4	-3,211.6	2,703.1	4,185.4	0.00	0.00	
9,400.0	90.20	135.52	5,166.0	-3,282.9	2,773.2	4,285.4	0.00	0.00	
9,500.0	90.20	135.52	5,165.7	-3,354.3	2,843.2	4,385.4	0.00	0.00	
9,600.0	90.20	135.52	5,165.3	-3,425.6	2,913.3	4,485.4	0.00	0.00	
9,700.0	90.20	135.52	5,165.0	-3,496.9	2,983.4	4,585.4	0.00	0.00	
9,800.0	90.20	135.52	5,164.6	-3,568.3	3,053.4	4,685.4	0.00	0.00	
9,900.0	90.20	135.52	5,164.3	-3,639.6	3,123.5	4,785.4	0.00	0.00	
10,000.0	90.20	135.52	5,163.9	-3,711.0	3,193.6	4,885.4	0.00	0.00	
10,100.0	90.20	135.52	5,163.6	-3,782.3	3,263.7	4,985.4	0.00	0.00	
10,200.0	90.20	135.52	5,163.2	-3,853.7	3,333.7	5,085.4	0.00	0.00	
10,300.0	90.20	135.52	5,162.9	-3,925.0	3,403.8	5,185.4	0.00	0.00	
10,400.0	90.20	135.52	5,162.5	-3,996.4	3,473.9	5,285.4	0.00	0.00	
10,500.0	90.20	135.52	5,162.2	-4,067.7	3,543.9	5,385.4	0.00	0.00	
10,600.0	90.20	135.52	5,161.8	-4,139.0	3,614.0	5,485.4	0.00	0.00	
10,700.0	90.20	135.52	5,161.5	-4,210.4	3,684.1	5,585.4	0.00	0.00	
10,800.0	90.20	135.52	5,161.2	-4,281.7	3,754.2	5,685.4	0.00	0.00	
10,900.0	90.20	135.52	5,160.8	-4,353.1	3,824.2	5,785.4	0.00	0.00	
11,000.0	90.20	135.52	5,160.5	-4,424.4	3,894.3	5,885.4	0.00	0.00	
11,100.0	90.20	135.52	5,160.1	-4,495.8	3,964.4	5,985.4	0.00	0.00	
11,200.0	90.20	135.52	5,159.8	-4,567.1	4,034.4	6,085.4	0.00	0.00	
11,300.0	90.20	135.52	5,159.4	-4,638.5	4,104.5	6,185.4	0.00	0.00	
11,400.0	90.20	135.52	5,159.1	-4,709.8	4,174.6	6,285.4	0.00	0.00	
11,500.0	90.20	135.52	5,158.7	-4,781.1	4,244.6	6,385.4	0.00	0.00	
11,600.0	90.20	135.52	5,158.4	-4,852.5	4,314.7	6,485.4	0.00	0.00	
11,700.0	90.20	135.52	5,158.0	-4,923.8	4,384.8	6,585.4	0.00	0.00	
11,800.0	90.20	135.52	5,157.7	-4,995.2	4,454.9	6,685.4	0.00	0.00	
11,900.0	90.20	135.52	5,157.3	-5,066.5	4,524.9	6,785.4	0.00	0.00	
12,000.0	90.20	135.52	5,157.0	-5,137.9	4,595.0	6,885.4	0.00	0.00	
12,100.0	90.20	135.52	5,156.6	-5,209.2	4,665.1	6,985.4	0.00	0.00	
12,200.0	90.20	135.52	5,156.3	-5,280.6	4,735.1	7,085.4	0.00	0.00	
12,247.1	90.20	135.52	5,156.1	-5,314.2	4,768.2	7,132.5	0.00	0.00	TD at 12247.1

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 211 H PBHL - plan hits target cent - Point	0.00 ter	0.00	5,156.1	-5,314.2	4,768.2	1,885,027.68	1,296,347.15	36.174978	-107.415817
GCU 211 H POE - plan hits target cent - Point	0.00 ter	0.00	5,179.6	-517.3	57.0	1,889,881.57	1,291,694.72	36.188155	-107.431778

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

Site: Well:

Wellbore:

Design:

S27-T23N-R6W **GCU 211H** ОН PLAN #1

Local Co-ordinate Reference:

TVD Reference: MD Reference:

North Reference:

Survey Calculation Method:

Well GCU 211H

16' KB @ 6886.0ft 16' KB @ 6886.0ft

Minimum Curvature

Casing Points

Measured Vertical Casing Hole Diameter Diameter Depth Depth (in) (in) (ft) (ft) Name 5,523.6 5,179.6 ICP @ 90° 7.000 7.500

mations						
	Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
	1,314.0	1,312.0	Ojo Alamo Ss.		-0.20	135.52
	1,420.4	1,418.0	Kirtland Shale		-0.20	135.52
	1,597.1	1,594.0	Fruitland Coal		-0.20	135.52
	1,850.0	1,846.0	Pictured Cliffs Ss.		-0.20	135.52
	1,967.4	1,963.0	Lewis Shale		-0.20	135.52
	2,676.0	2,669.0	Cliffhouse Ss.		-0.20	135.52
	3,404.7	3,395.0	Menefee Fn.		-0.20	135.52
	4,099.2	4,087.0	Point Lookout Ss.		-0.20	135.52
	4,295.9	4,283.0	Mancos Shale		-0.20	135.52
	4,897.0	4,872.0	Mancos Silt		-0.20	135.52
	5,274.9	5,128.0	Gallup Fn.		-0.20	135.52

Annotations						
Measur	ed	Vertical	Local Coor	dinates		
Depth (ft)		Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment	
60	0.00	600.0	0.0	0.0	KOP @ 600'	134
83	39.8	839.5	-2.4	-9.7	EOB; INC=4.8°	
4,59	97.2	4,583.7	-77.3	-314.8	Start DLS 10.00 TFO -120.59	
5,52	23.6	5,179.6	-517.3	57.0	LP @ 5179' TVD; 90.2°	
12,24	17.1	5,156.1	-5,314.2	4,768.2	TD at 12247.1	

Gallo Canyon Unit 211H

SHL: SESE Section 26, T23N, R6W

257' FSL and 907' FEL

BHL: SWSE Section 36, T23N, R6W

330' FSL and 1390' FEL

Sandoval County, New Mexico

Lease Numbers: NMNM 117562 & NMNM 109390

Unit Number: NMNM 131017X

The maximum cut was approximately 6.1 feet on the northwest corner (corner 6) and the maximum fill was approximately 6.4 feet on the southeast corner (corner 3).

4. As determined during the onsite on January 22, 2014, the following best management practices were implemented:

 Water was diverted around the pad and silt traps were installed as needed upon interim reclamation.

Construction equipment included chain saws, a brush hog, scraper, maintainer, excavator, and dozer. Construction for the access road and well pad took approximately 4 weeks.

C. Pipeline

See the Plan of Development submitted with the final Standard SF-299 Application for authorization to construct, operate, maintain and terminate a 4,687 foot, up to 6-inch outside diameter, buried steel well connect pipeline that was submitted to the BLM on March 14, 2014.

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.
- 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.
- 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.

ENCANA OIL & GAS (USA) INC.

GALLO CANYON UNIT #211H LOCATED IN THE SE/4 SE/4 OF SECTION 26, T23N, R6W, N.M.P.M., SANDOVAL COUNTY, NEW MEXICO

DIRECTIONS

- 1) FROM THE INTERSECTION OF HWY 64 & HWY 550 IN BLOOMFIELD, GO SOUTH ON HWY 550, 54.4 MILES TO INDIAN ROUTE 474 (COUNSELOR, NM).
- 2) TURN RIGHT ONTO ISR 474 AND GO 1.7 MILES TO A DIRT ROAD ON LEFT.
- 3) TURN LEFT AND GO 0.9 MILES TO EXISTING GALLO CANYON UNIT WELL PAD.

WELL FLAG LOCATED AT LAT. 36.189576° N, LONG.107.431971° W (NAD 83).

ENCANA JOB No.: P23-2306
DATE: 11/10/2015
DRAWN BY: TWT

CCI

CHENAULT CONSULTING INC.

4800 COLLEGE BLVD.
SHEET C PARMINGTON, NM 87402
(505)-325-7707

