State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer 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 <u>3160-5</u> form. Operator Signature Date: **Original APD 3/13/2015** Sundry Extension Date 7/17/2017

API WELL #	Well Name	Well #	Operator Name	Туре	Stat	County	Surf_Owner	UL	Sec	Тwp	N/S	Rng	W/E
30-045-35665- 00-00	LYBROOK E11 2208	002H	ENCANA OIL & GAS (USA) INC.	G	N	San Juan	F	E	11	22	N	8	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

O 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

Submit Gas Capture Plan form prior to spudding or initiating recompletions operations.

Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84

1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3441 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

Hold C-104 for NSL, NSP, DHC,

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> 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.

Comply with current regulations at time of spud Prior to production operator needs to be in compliance with RULE 19.15.5.9

Kitheric Bula

NMOCD Approved by Signature

<u>8/4/17</u> Date

		RECE	VED						
	S INTERIOR 18 AGEMENT			FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010 5. Lease Serial No.					
		NMNM 48989A, NMNM 48989 6. If Indian, Allottee or Tribe Name							
Do not use this f abandoned well.	OTICES AND REPO orm for proposals t Use Form 3160-3 (A	edrill or to re-e PD) for such pr	Bid Office nter an Ianagement oposals.	t N/A	monee of				
	TIN TRIPLICATE – Other	7. If Unit of C	7. If Unit of CA/Agreement, Name and/or No. Pending						
1. Type of Well Oil Well Gas W	Vell Other	8. Well Name	8. Well Name and No. Lybrook E11-2208 02H						
2. Name of Operator Encana Oil & Gas (USA) Inc.	9. API Well 1 30-045-356		'H	<i>r</i> .					
Encana Oil & Gas (USA) Inc. 3a. Address	3b. Phone No. (inclua	le area code)	cploratory Area						
370 17th Street, Suite 1700 Denver, CO 80202	720-876-3533				Basin Mancos Gas Pool				
4. Location of Well (Footage, Sec., T., J SHL: 2537' FNL, 1247' FWL, Section 11, T22N, BHL: 2304' FNL, 1980' FWL, Section 14, T22N,)	11. Country or Parish, State San Juan County, NM							
12. CHEC	K THE APPROPRIATE BO	X(ES) TO INDICATE	NATURE OF	NOTICE, REPORT	OR OTHEI	R DATA			
TYPE OF SUBMISSION			TYPE C	OF ACTION	TION				
✓ Notice of Intent	Acidize	Deepen Fracture Trea		Production (Start/Re Reclamation	esume)	Water Shut-Off Well Integrity			
Subsequent Report	Casing Repair	New Constru	-	Recomplete		Other APD Extension	1		
	Change Plans	Plug and Aba	andon	Temporarily Aband	on				
Final Abandonment Notice 13. Describe Proposed or Completed Op	Convert to Injection	Plug Back	L	Water Disposal					
testing has been completed. Final determined that the site is ready for Encana Oil & Gas (USA) Inc. (Encar E11-2208 02H well (API 30-045-356	final inspection.)								
		OIL CONS. DIV DIST. 3							
		JUL 2 5 2017							
* APD extension of 14. I hereby certify that the foregoing is h		3/20/2019							
Name (Printed/Typed) Katie Wegner	ue and correct.	Tiele		laton Analyst					
I Ara I A			Title Senior Regulatory Analyst						
Signature Kall	07/17/2017								
	THIS SPACE	FOR FEDERAL	OR STAT	E OFFICE USE					
Approved by	2		Title M	8	Da	ate 7/21/17			
Conditions of approval, if any, are attached that the applicate holds legal or equitable to entitle the applicant to conduct operations (itle to those rights in the subject thereon.	et lease which would	Office FF	·					
Title 18 U.S.C. Section 1001 and Title 43 fictitious or fraudulent statements or repre	U.S.C. Section 1212, make it a sentations as to any matter wit	crime for any person kn hin its jurisdiction.	lowingly and wi	illfully to make to any o	department	or agency of the United States a	ny false,		
(Instructions on page 2)		RV							