



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401



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In Reply Refer to:
Nageezi Unit
NMNM132981X

August 6, 2014

Mona Binion
Encana Oil and Gas (USA) Inc
370 17th Street, Suite 1700
Denver, Colorado 80202

Dear Ms. Binion:

Reference is made to your letter dated July 31, 2014, which provides notice of down hole problems associated with drilling the Nageezi Unit D34 2409 03H, obligation well (formerly known as the Escrito D34 2409 03H). This wellbore had to be plugged and abandoned after fishing out a stuck bottom hole assembly and determining that the well bore was damaged beyond repair.

As an alternative, you propose to replace the Nageezi Unit D34 2409 03H well with the Nageezi Unit L27 2409 03H well. This well will develop N/2S/2 of Section 27-24N-9W., in the Mancos Formation.

In view of the foregoing, this well will serve as an acceptable replacement for the original obligation well referenced above and approved in our Nageezi Unit authorization letter dated July 22, 2014. You are requested to furnish all interested parties with appropriate evidence of this approval. If you have any questions regarding the above, please contact me at (505) 564-7735.

Sincerely,

Jim Lovato
Team Leader, Petroleum Management Team

Cc: Commissioner of Public Lands, Santa Fe, NM
New Mexico Oil Conservation Division
Office of Natural Resources Revenue (ONRR)
Federal Indian Minerals Office (FIMO)