

DATE IN 08/16/2013	SUSPENSE	ENGINEER DB	LOGGED IN 08/23/2013	TYPE OLM	APP NO. PPAG 1323839687
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

**[NSL-Non-Standard Location]** **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling]** **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling]** **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion]** **[PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal]** **[IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification]** **[PPR-Positive Production Response]**

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

☒ [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

☒ [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

☒ [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

☐ [D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

☒ [A] Working, Royalty or Overriding Royalty Interest Owners

☐ [B] Offset Operators, Leaseholders or Surface Owner

☐ [C] Application is One Which Requires Published Legal Notice

☒ [D] Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

☒ [E] For all of the above, Proof of Notification or Publication is Attached, and/or,  
 Attachment No. 4 presents copies of notification to interest owners mailed Certified/  
 Return Receipt (RR). Upon receipt of RRs, copies will be sent to NMOCD.

☐ [F] Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Katie Wegner

Print or Type Name

Signature

*Katie Wegner*

Regulatory Analyst

Title

8/13/13

Date

Katie.wegner@encana.com  
 e-mail Address

83

RECEIVED OOD  
2013 AUG 16 P 2:22

Encana  
 Escrito E13-2407 #1A  
 30-039-31189



August 14, 2013

**Transmitted Via Certified Mail**

Ms. Jami Bailey  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Mr. Dave Evans, District Manager  
Bureau of Land Management  
6251 College Blvd., Suite A  
Farmington, NM 87402

**Re: Application for Off-Lease Measurement**  
**Escrito E13-2407 01H**  
Section 13, Township 24 North – Range 7 West  
Rio Arriba County, New Mexico

2013 AUG 16 P 2:22  
RECEIVED OOD

Dear Ms. Bailey and Mr. Evans:

Encana Oil & Gas (USA) Inc. (Encana) requests Administrative Approval for Off-Lease Measurement and Sale of natural produced gas from the Escrito E13-2407 01H well. Encana will operate the well, developing production from the N2 of Section 14, T24N R7W; New Mexico Federal Lease NM 117566 and State of New Mexico Lease SF 078584. Further, the well will produce from the Devils Fork Gallup (Associated) oil pool. There is no Indian acreage associated with the well.

Off-Lease Measurement of natural gas will occur in the SWSW of Section 13, T24N R7W where the pipeline ties into Enterprise Products Partners' (Enterprise) central delivery point, gas custody transfer meter (CDP). Further, Encana intends to install a gas lift compressor on the well as depicted and described on Attachment No 5, Pages 3 and 4. Please note, Encana intends to submit to the Bureau of Land Management (BLM) a sundry to formally request approval to install the gas lift on the well, which, once approved, will be forwarded on to the New Mexico Oil Conservation Division for their approval. There will not be any commingling of oil or condensate with naturally produced gas in the pipeline.

*Enclosed please find the following:*

**A. Administrative Application Checklist for Off-Lease Measurement dated August 13, 2013.**

**B. State of New Mexico Oil Conservation Division Form C-107-B, Application for Off-Lease Measurement dated August 13, 2013. Attached to and made part of the Application for Off-Lease Measurement please find the following:**

**Attachment No. 1:** Presents the lease and pool information for the well.

**Attachment No. 2:** Presents a plat depicting the Off-Lease Measurement for natural gas at the CDP, tying into Enterprise's CDP custody transfer meter in the SWSW of Section 13, T24N R7W where the 5,850-foot long pipeline will be installed, leading back to the Escrito E13-2407 01H well pad SHL. Please note that Encana applied for BLM approval for the pipeline right-of-way on March 28, 2013 (NMNM 130251). Encana will supply the meter number of the CDP to the BLM once the pipeline has been installed and interconnected into

Encana Oil & Gas (USA) Inc.

370 17<sup>th</sup> Street, Suite 1700, Denver Colorado 80202 720.876.3533 (O) 303.482.6819 (C) [katie.wegner@encana.com](mailto:katie.wegner@encana.com)



Enterprise's pipeline. The well will be equipped with a continuous recording gas allocation meter (or some form of approved alternative measurement) operated and maintained by Encana. Prior to converting any gas measurement from a conventional allocation meter to an alternative measurement method, Encana will seek formal approvals. The allocation procedures are presented on **Attachment No. 5**.

**Attachment No. 2(a):** Presents the Escrito E13-2407 01H well dedication acreage as depicted on the NMOCD Form C-102.

**Attachment No. 3:** Presents a leasehold ownership summary for the well. Encana and T.H. McElvain Oil & Gas LLP (McElvain) are the only working interest owners in the well. The royalty interest is Federal. There is no State, Fee or Indian Royalty. As required by the NMOCD all interest owners have been given notice of this application.

**Attachment No. 4:** Presents a copy of the notice sent to the interest owners. All notice letters have been mailed certified, return receipt. Upon receiving the return receipts, copies will be forwarded to the NMOCD. Also included, is a copy of the legal notice to be published in The Daily Times, Farmington, New Mexico on August 18<sup>th</sup> in order to provide public notice to any and all affected interest owners.

**Attachment No. 5:** Presents the allocation procedures for the Off-Lease Measurement of natural produced gas. Additionally, included is a gas lift well pad schematic and description for the proposed well pad facility layout.

In conclusion, Encana is requesting Administrative Approval for Off-Lease Measurement and Sale of natural produced gas, which will tie into Enterprise Production's CDP in the SWSW of Section 13, T24N R7W.

Please do not hesitate to contact me directly at 720-876-3533 with any questions or concerns.

Encana Oil & Gas (USA) Inc.

A handwritten signature in black ink, appearing to read "Katie Wegner", written over a horizontal line.

Katie Wegner  
Regulatory Analyst

Enc.

Encana Oil & Gas (USA) Inc.

370 17<sup>th</sup> Street, Suite 1700, Denver Colorado 80202 720.876.3533 (O) 303.482.6819 (C) [katie.wegner@encana.com](mailto:katie.wegner@encana.com)

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Encana Oil & Gas (USA) Inc.

OPERATOR ADDRESS: 370 17<sup>th</sup> Street, Suite 1700, Denver, CO 80202

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No

(2) Include proof of notice to all interest owners. See Attachment No. 4

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. See Attachment No. 2 and Attachment No. 5

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachment No. 2

(3) Lease Names, Lease and Well Numbers, and API Numbers. See Attachment No. 1

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE 

TITLE: Regulatory Analyst

DATE: \_\_\_\_\_

TYPE OR PRINT NAME: Katie Wegner

TELEPHONE NO.: 720-876-3533

E-MAIL ADDRESS: katie.wegner@encana.com

Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Escrito E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 Section 14 T24N R7W  
Rio Arriba County, New Mexico

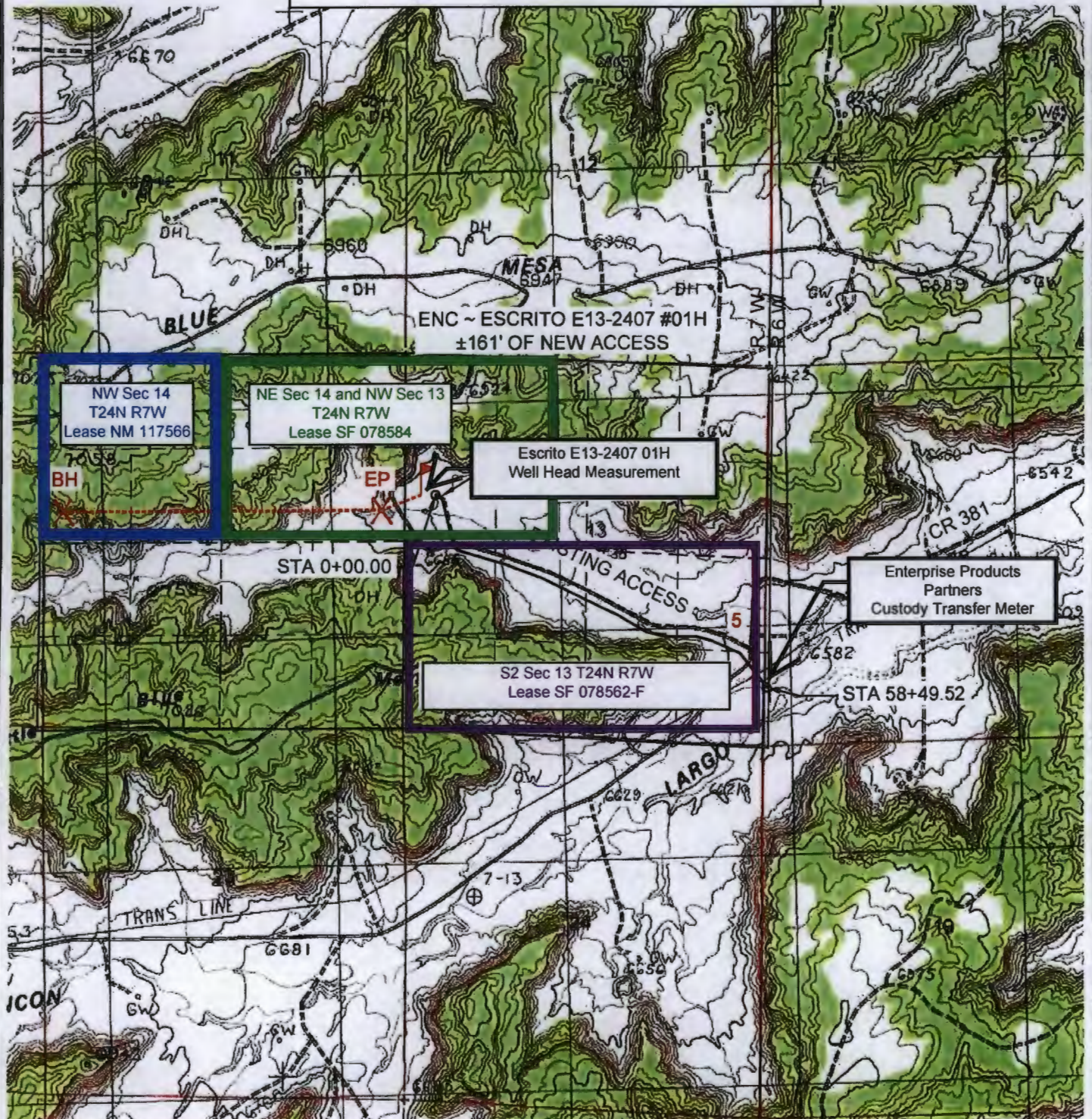
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool	Lease Nos.	Lease Type	Completion Date	Well Status
Escrito E13-2407 01H	30-039-31189	E-SWNW-14-24N-7W	N2 Sec 14 24N 7W (320 acres)	Devils Fork Gallup Associated Pool (17610) *	NMSF 078584 & NMNM 117566	FED	Pending	BLM Approval to Drill

\*Pursuant to NMAC 19.15.15.13.C Encana will file to the NMOCD for an administrative approval in order to reduce the setbacks for the project area for the Escrito E14-2407 01H well in the Devils Fork Gallup Associated Pool (Pool Code No. 17610).



LATITUDE: 36.314731° N  
LONGITUDE: 107.535693° W  
DATUM: NAD 83

Attachment No. 2  
Encana Oil & Gas (USA) Inc.  
Escrito E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 of Sec 14 T24N R7W  
Rio Arriba County, New Mexico



U.S.G.S. QUAD: CROW MESA EAST  
SCALE: 1" = 2000' (1:24,000)  
JOB No.: ENC053\_REV1  
DATE: 4/26/13



Scorpion Survey & Consulting, L.L.C.  
Aztec, New Mexico 87410  
(505) 334-4007



**DISTRICT I**

1685 N. French Dr., Hobbs, N.M. 88240  
Phone: (505) 893-6161 Fax: (505) 893-0780

**DISTRICT II**

611 S. First St., Artesia, N.M. 88210  
Phone: (505) 746-1883 Fax: (505) 746-9780

**DISTRICT III**

1000 Rio Brueos Rd., Artesia, N.M. 87410  
Phone: (505) 834-6178 Fax: (505) 834-6170

**DISTRICT IV**

1820 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-8468

Attachment No. 2a

Encana Oil &amp; Gas (USA) Inc.

Escrito E13-2407 01H

Off-Lease Measurement Application

Well Pad Measurement: SWNW Sec 13 T24N R7W

Project Area: N2 of Sec 14 T24N R7W

Rio Arriba County, New Mexico

Form C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code 17610	<sup>3</sup> Pool Name DEVILS FORK GALLUP (ASSOCIATED)
<sup>4</sup> Property Code	<sup>5</sup> Property Name ESCRITO E13-2407	<sup>6</sup> Well Number 01H
<sup>7</sup> GRID No. 282327	<sup>8</sup> Operator Name ENCANA OIL & GAS (USA) INC.	<sup>9</sup> Elevation 6689.9'

**<sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	24N	7W		1991'	NORTH	225'	WEST	RIO ARRIBA

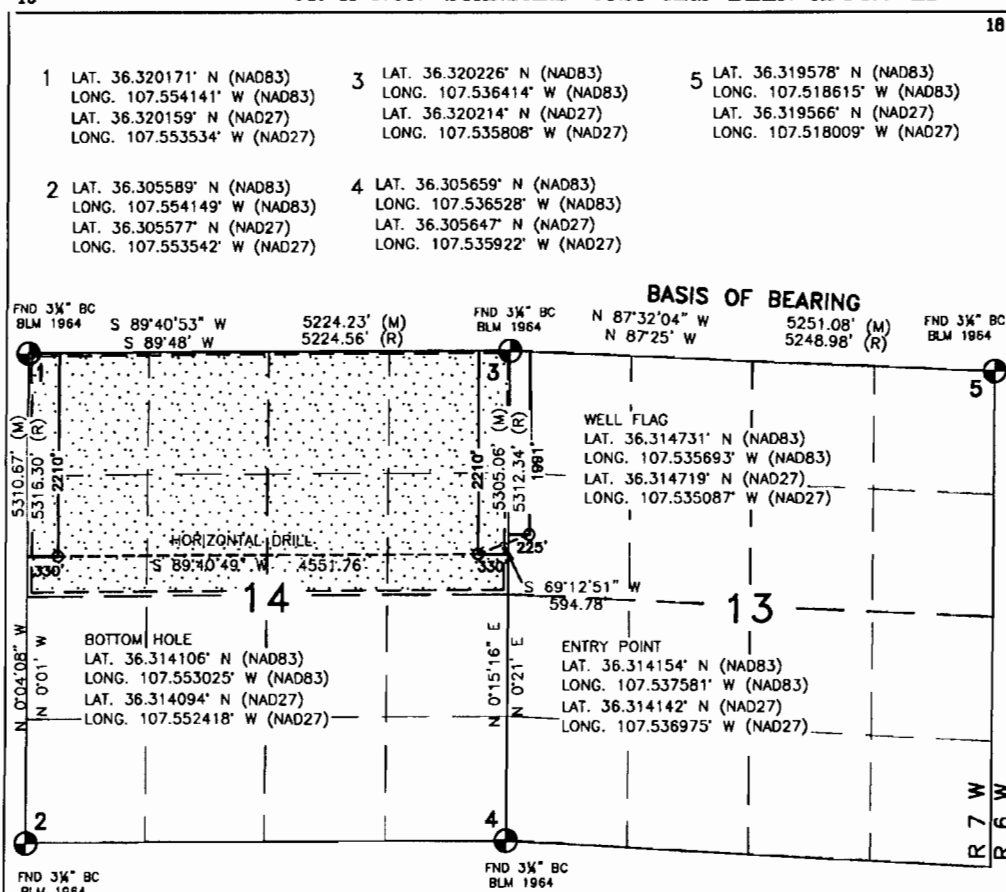
**<sup>11</sup> Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	24N	7W		2210'	NORTH	330'	WEST	RIO ARRIBA

<sup>12</sup> Dedicated Acres 320.00 Ac. N/2 - SEC. 14	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

18

**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Katie Wegner* 8/13/13  
Signature Date

Katie Wegner  
Printed Name

Katie.Wegner@encana.com  
E-mail Address

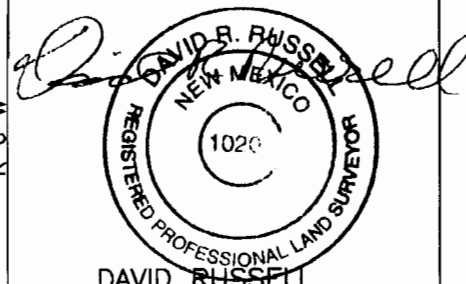
**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

FEBRUARY 12, 2013

Date of Survey

Signature and Seal of Professional Surveyor:



DAVID RUSSELL

Certificate Number

10201

Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Escrto E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 Section 14 T24N R7W  
Rio Arriba County, New Mexico

**Escrito E13-2407 01H**  
E-13-T24N-R7W  
Project Area: N2 Section 14, T24N R7W (320 acres)  
NMSF 078584 & NMNM 117566  
Devils Fork Gallup Associated Pool

<u>Interest Owner</u>		
<b><u>Working Interest</u></b>	<b><u>Gross</u></b>	<b><u>Net</u></b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	75.000%	60.000%
T.H. McElvain Oil & Gas LLLP 1050-17th Street, Suite 2500 Denver, CO 80265-1801	25.000%	21.219%
<b><u>Royalty Interest</u></b>		
United States of America	0.000%	12.500%
<b><u>Overriding Royalty Interest</u></b>		
T.H. McElvain Oil & Gas LLLP 1050-17th Street, Suite 2500 Denver, CO 80265-1801	0.000%	3.656%
J & M Raymond, Ltd. P.O Box 291445 Kerrville, TX 78029-1445	0.000%	0.984%
Tamacam, LLC P.O Box 291445 Kerrville, TX 78029-1445	0.000%	0.094%
Charles W. Gay P.O Box 291445 Kerrville, TX 78029-1445	0.000%	0.047%
Estate of W.R. Childers, deceased	0.000%	0.625%
Fay A. Dashko, deceased	0.000%	0.625%
Broom Family Limited Partnership P.O. Box 2148 Santa Fe, NM 87501	0.000%	0.250%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>



Attachment No. 4  
Encana Oil & Gas (USA) Inc.  
Escrito E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 of Sec 14 T24N R7W  
Rio Aribba County, New Mexico

As evidence that all interest ownership parties in the subject well have been given notice of Encana's application, attached please find:

- 1) The Leasehold Interest Owner's Address List for the Escrito E13-2407 01H Off-Lease Measurement and Sales of natural produced gas.
- 2) Copies of Encana's letters, dated August 13, 2013, used to send copies of the subject application to the leasehold interest owners for the Escrito E13-2407 01H. The letters were transmitted via certified mail/return receipt. Upon receiving receipts, a copy will be sent to NMOCD.
- 3) All royalty interest is BLM. Since the BLM are receiving this application requesting their approval, a separate notice letter was not sent to the royalty interest owners. The application to the BLM was transmitted via certified mail/return receipt. Upon receiving receipts, a copy will be sent to NMOCD.
- 4) A copy of Encana's request to publish a Legal Ad in The Daily Times, Farmington, New Mexico in the August 18<sup>th</sup>, 2013 publication, to adequately notice any interest owners.

Attachment No. 4  
Encana Oil & Gas (USA) Inc.  
Escrito E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 of Sec 14 T24N R7W  
Rio Arriba County, New Mexico

**Working Interest Owners:**

Encana Oil & Gas (USA) Inc.  
370 17th Street, Suite 1700  
Denver, CO 80202

T.H. McElvain Oil & Gas LLLP  
1050-17th Street, Suite 2500  
Denver, CO 80265-1801

**Royalty Interest Owner:**

Bureau of Land Management  
6251 College Blvd., Suite A  
Farmington, NM 87402

**Overriding Royalty Interest:**

T.H. McElvain Oil & Gas LLLP  
1050-17th Street, Suite 2500  
Denver, CO 80265-1801

J & M Raymond, Ltd.  
P.O Box 291445  
Kerrville, TX 78029-1445

Tamacam, LLC  
P.O Box 291445  
Kerrville, TX 78029-1445

Charles W. Gay  
P.O Box 291445  
Kerrville, TX 78029-1445

Estate of W.R. Childers, deceased

Fay A. Dashko, deceased

Broom Family Limited Partnership  
P.O. Box 2148  
Santa Fe, NM 87501

Attachment No. 4  
Encana Oil & Gas (USA) Inc.  
Escrito E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 of Sec 14 T24N R7W  
Rio Arriba County, New Mexico



August 2, 2013

[INSERT INTEREST OWNER INFORMATION]

**Re: Off-Lease Measurement Application  
Escrito E13-2407 01H  
SWNW Section 13, T24N R7W  
Rio Arriba County, NM**

Dear Owner:

Encana Oil & Gas (USA) Inc.'s (Encana) is seeking administrative approval from the New Mexico Oil Conservation Division (NMOCD) for an Application for Off-Lease Measurement and Sale of produced natural gas from the Well. Encana will operate, producing from the N2 of Section 14, T24N R7W; New Mexico Federal Leases NMSF 078584, NMSF 078484A and NMNM 117566.

Off-Lease Measurement of natural gas will occur in the SWSW of Section 13, T24N R7W at the pipeline tie-in to Enterprise Products Partners' central delivery point, gas custody transfer meter. The Well will be equipped with gas measurement equipment for allocation purposes.

This matter does not require any action on your part. Current NMOCD Regulations require that all affected interest owners receive notice of proposed Off-Lease Measurement. Should you have any questions, concerns or need additional information please contact me at your earliest convenience at 720-876-5965 and/or [billy.mccool@encana.com](mailto:billy.mccool@encana.com).

Should you have any objections to our application, please contact the undersigned; you should also contact the NMOCD directly with your objections within twenty (20) days from the date the NMOCD receives our application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. We would appreciate a copy of your objection.

Yours Truly,  
Encana Oil & Gas (USA) Inc.

B. Wade McCool  
Land Negotiator  
720.876.5965 (O)  
email: [billy.mccool@encana.com](mailto:billy.mccool@encana.com)

Encana Oil & Gas (USA) Inc.

370 17<sup>th</sup> Street, Suite 1700, Denver Colorado 80202

Attachment No. 4  
Encana Oil & Gas (USA) Inc.  
Escrito E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 of Sec 14 T24N R7W  
Rio Arriba County, New Mexico



August 14, 2013

**Transmitted Via Email: [legals@daily-times.com](mailto:legals@daily-times.com)**

Ms. Carletta Dodge, Legal Clerk  
The Daiy Times  
201 N. Allen  
Farmington, New Mexico 87401

**Re: Legal Ad Placement Request**  
**Sunday, August 18<sup>th</sup> 2013 Publication**  
Application for Escrito E13-2407 01H Off-Lease Measurement Application  
Rio Arriba County, New Mexico

Dear Ms. Dodge:

Encana Oil & Gas (USA) Inc. (Encana) respectfully requests The Daily Times place the following notice in the Legal Ads section for the August 18<sup>th</sup> 2013 publication. Once the ad has run, please send Affidavit of Publication to the undersigned.

*Encana Oil & Gas (USA) Inc. (Encana) is seeking administrative approval from the New Mexico Oil Conservation Division (NMOCD) for Off-Lease Measurement and Sale of produced natural gas from the Escrito E13-2407 01H well. This well will be operated by Encana. Encana has applied for the necessary rights-of-way to install the Escrito L13-2410 pipeline, which will tie into Enterprise Products Partners' (Enterprise) central delivery point in the SWSW of Section 13, T24N, R7W. There will not be any commingling of oil or condensate..*

*The Escrito E13-2407 01H will be completed with a 320 acre project area comprising of the N2 of Section 14, T24N, R7W and will develop minerals from federal leases NM-117566 and SF-078584.*

*Off-Lease Measurement and Sale of produced natural gas is applicable to the Escrito L13-2407 01H well, which tie into the Enterprise Products Partners' (Enterprise) pipeline. Off-Lease Measurement of natural gas will occur at the the pipeline tie-in to Enterprise's central delivery point, gas custody transfer meter in the SWSW of Section 13, T24N, R7W.*

*Any person holding an interest in Federal Leases NM-117566 and/or SF-078584 may contact Encana for additional information (Attn: Wade McCool, 720-876-5965; 370 17<sup>th</sup> Street, Suite 1700, Denver CO 80202; [wade.mccool@encana.com](mailto:wade.mccool@encana.com)). Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office (1220 South St. Francis Drive, Santa Fe, NM 87505) within 20 days from the date of this publication. In the absence of objections, Encana is requesting that the NMOCD approve the application administratively.*

Encana Oil & Gas (USA) Inc.

Katie Wegner  
Regulatory Analyst

Encana Oil & Gas (USA) Inc.

370 17<sup>th</sup> Street, Suite 1700, Denver Colorado 80202 720.876.3533 (O) 303.482.6819 (C) [katie.wegner@encana.com](mailto:katie.wegner@encana.com)

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Attachment No. 4

Encana Oil &amp; Gas (USA) Inc.

Escrito E13-2407 01H

Off-Lease Measurement Application

Well Pad Measurement: SWNW Sec 13 T24N R7W

Project Area: N2 of Sec 14 T24N R8W

Rio Arriba County, New Mexico

## COMPLETE THIS SECTION ON DELIVERY

- ☐ Agent  
☐ Addressee

C. Date of Delivery

1. Article Addressed to:

T.H. McElvain Oil & Gas, LLLP  
Attention: Land Manager  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80265

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes2. Article Number  
(Transfer from service label)

7012 3460 0000 6617 0030

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

J & M Raymond, Ltd.  
P.O. Box 291445  
Kerrville, TX 78029-1445

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes2. Article Number  
(Transfer from service label)

7012 3460 0000 6617 0047

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Tamacam, LLC  
P.O. Box 291445  
Kerrville, TX 78029-1445

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes2. Article Number  
(Transfer from service label)

7012 3460 0000 6617 0054

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



SENDER: COMPLETE THIS SECTION		ON DELIVERY	
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3 and item 4 if Restricted Delivery.</li> <li>■ Print your name and address so that we can return the card to you.</li> <li>■ Attach this card to the back or on the front if space permits.</li> </ul>		<div style="text-align: center;">Attachment No. 4 Encana Oil &amp; Gas (USA) Inc. Escrito E13-2407 01H Off-Lease Measurement Application Well Pad Measurement: SWNW Sec 13 T24N R7W Project Area: N2 of Sec 14 T24N R8W Rio Arriba County, New Mexico</div>	
1. Article Addressed to:  <div style="text-align: center;">Charles W. Gay P.O. Box 291445 Kerrville, TX 78029-1445</div>		<div style="text-align: right;"> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee         </div> <div style="text-align: right;">C. Date of Delivery</div>	
2. Article Number (Transfer from service label)		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, February 2004		Domestic Return Receipt	

7012 3460 0000 6617 0061

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<div style="text-align: right;"> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee         </div>	
1. Article Addressed to:  <div style="text-align: center;">Broom Family Limited Partnership P.O. Box 2148 Santa Fe, NM 87501</div>		<div style="text-align: right;">C. Date of Delivery</div>	
2. Article Number (Transfer from service label)		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, February 2004		Domestic Return Receipt	

7012 3460 0000 6617 0078

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<div style="text-align: right;"> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee         </div>	
1. Article Addressed to:  <div style="text-align: center;">Ms. Jami Bailey New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505</div>		<div style="text-align: right;">C. Date of Delivery</div>	
2. Article Number (Transfer from service label)		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, February 2004		Domestic Return Receipt	

7012 3460 0000 6617 0085

Attachment No. 4  
Encana Oil & Gas (USA) Inc.  
Escrito E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 of Sec 14 T24N R8W  
Rio Arriba County, New Mexico

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Dave Evans, District Manager  
Bureau of Land Management  
6251 College Blvd., Suite A  
Farmington, NM 87402

2. Article Number  
(Transfer from service label)

7012 3460 0000 6617 0092

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



Attachment No. 5  
Encana Oil & Gas (USA) Inc.  
Escrito E13-2407 01H  
Off-Lease Measurement Application  
Well Pad Measurement: SWNW Sec 13 T24N R7W  
Project Area: N2 of Sec 14 T24N R7W  
Rio Aribba County, New Mexico

Allocation Period is typically a calendar month and will be the same for all wells.

**Individual Well Gas Production** = A + B + C + D + E

A = Allocated Gas production off lease, MCF:  $((W-WI) / \text{SUM}(W-WI)) * (X-R)$

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions. This includes, but is not limited to, compression, vapor recovery unit (VRU) compression, burners, and pump jacks.

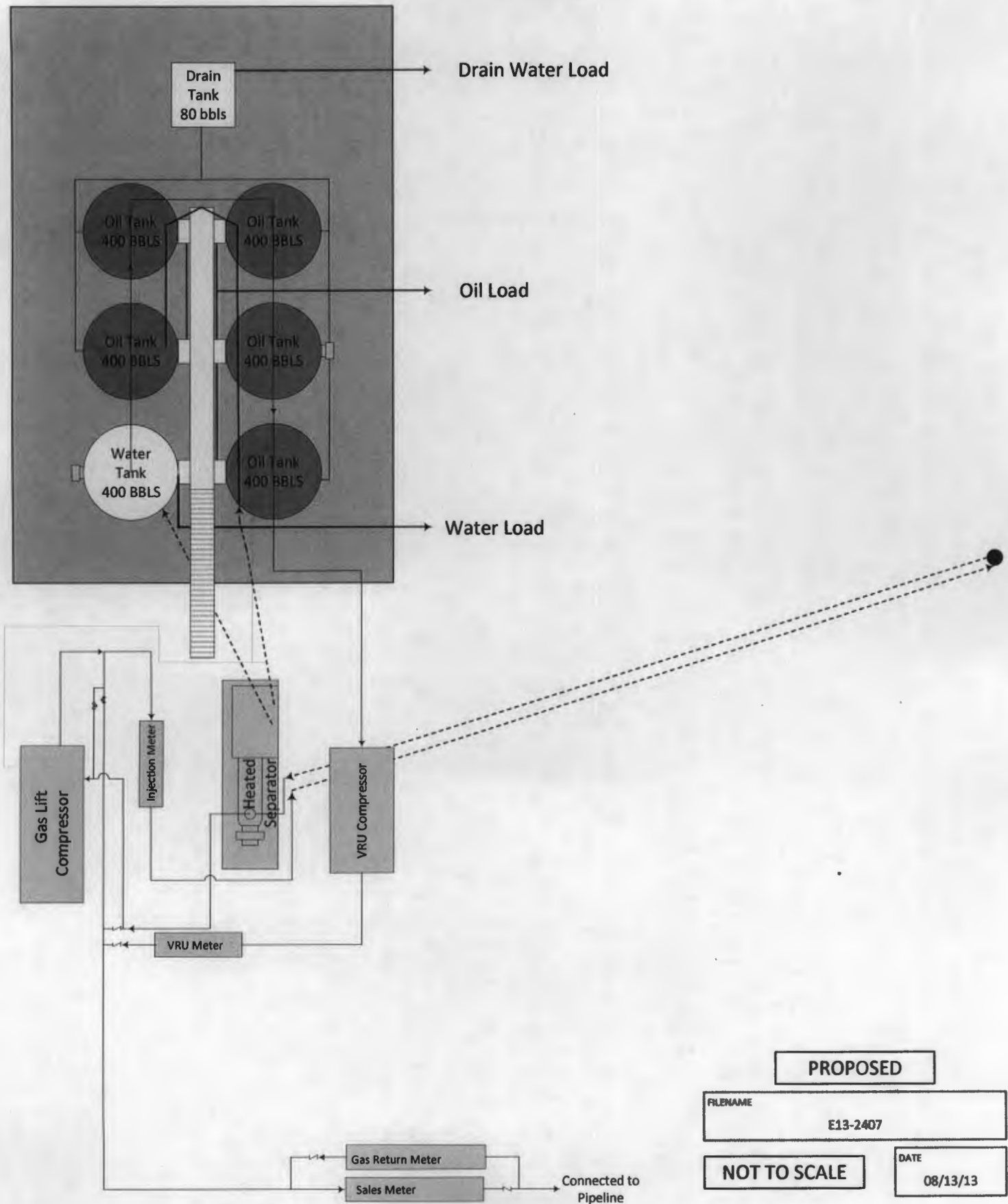
C = Lost and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by  $(W-WI) / \text{SUM}(W-WI)$ .

E = Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the individual wells affected using factors determined by  $(W-WI) / \text{SUM}(W-WI)$ .

**Individual Well BTU's** =  $((W-WI) * Z) / \text{SUM}((W-WI) * Z) * Y$

Individual well gas heating values to be determined in accordance with BLM regulations.





## Gas Metering on Escrito E13-2407 with Gas Lift

The Escrito E13-2407 will have two additional gas meters installed for use with the gas lift system. The typical sales gas meter continues to be used for the same functionality as if the well did not have gas lift. The additional meters are a gas return meter and an injection (for informational purposes only) meter.

The gas return meter is used to meter any gas that is brought back from the Enterprise Pipeline for kickoff and re-start purposes only. This meter will be installed parallel to the sales meter with check valves preventing back flow through either meter. The gas return volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no return gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and gas return meter are combined to determine the net sales volume.

The second additional meter on the pad is the injection meter which is used for metering the injection gas that is circulated through the wellbore. This meter is for informational / operational optimization purposes only. Since this meter is upstream of the sales meter, this meter is not used to calculate sales volumes.