STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF ENCANA OIL & GAS (USA) INC. FOR APPROVAL OF THE PINON UNIT, CREATION OF A NEW POOL FOR HORIZONTAL DEVELOPMENT WITHIN THE UNIT AREA, AND FOR ALLOWANCE OF 330 FOOT SETBACKS FROM THE EXTERIOR OF THE PROPOSED UNIT, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 15154 ORDER NO. R-13857

MOTION TO AMEND ORDER R-13857 TO REFLECT THE FINAL APPROVED UNITIZED INTERVAL

Encana Oil & Gas (USA) Inc. ("Encana"), through its undersigned attorneys, hereby moves the Oil Conservation Division to amend Order R-13857 to conform the unitized interval set forth in the Order to the final approved Pinon Federal / State / Allotted Indian Exploratory Unit Agreement. In support of this application, Encana states:

- 1. In Case No. 15154, the Division issued Order R-13857 on July 3, 2014 approving Encana's Pinon Federal / State / Allotted Indian Exploratory Unit and identifying the unitized interval as all formations from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) to 100 feet below the stratigraphic equivalent of the base of the Greenhorn Limestone Formation as shown in the Rodeo Rosie #1 01 well (API No. 30045253980000).
- 2. Since entry of Order R-13857, Encana has obtained final Bureau of Land Management (BLM), New Mexico State Land Office (NMSLO) and Bureau of Indian Affairs (BIA) approval of the unit agreement. However, in the course of obtaining this final approval the unitized interval has been *reduced* to include only all formations from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) *to the base*

the base

of the Greenhorn Limestone Formation as shown in the Rodeo Rosie #1 01 well (API No. 30045253980000).

- 3. Pursuant to ordering paragraph (19) of R-13857, the Order is contingent upon final approval of the Unit Agreement by the BLM, NMSLO, and the BIA. Therefore, Encana requests that Order R-13857 be corrected to reflect that the unitized interval in the final approved Pinon Federal / State / Allotted Indian Exploratory Unit Agreement is "all formations from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) to the base of the Greenhorn Limestone Formation as shown in the Rodeo Rosie #1 01 well (API No. 30045253980000)."
- 4. A copy of this motion has been sent to Pro NM Energy, Inc., the only party to enter an appearance in this matter. Pro NM Energy, Inc. does not oppose the granting of this motion.

WHEREFORE, Encana Oil & Gas (USA) Inc. requests that the Division issue an order amending R-13857 to reflect the final approved unitized interval.

Respectfully submitted,

HOLLAND & HART, LLP

Michael H. Feldewert

Adam G. Rankin Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

ATTORNEYS FOR ENCANA OIL & GAS USA, INC.

CERTIFICATE OF SERVICE

I hereby certify that on October 23, 2014, I served a copy of the foregoing document to the following via electronic mail to:

Jake Eugene Gallegos Michael J. Condon Gallegos Law Firm, P.C. 460 St. Michael's Drive, Bldg. 300 Santa Fe, NM 87505

Phone: 505-983-6686 Fax: 505-986-1367

jeg@gallegoslawfirm.net mjc@gallegoslawfirm.net

Michael H. Feldewert