



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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www.nmstatelands.org

June 15, 2015

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

Attention: Ms. Mona L. Binion

Re: Preliminary Approval
Proposed Expansion of the Nageezi Unit
San Juan County, New Mexico

Dear Ms. Binion:

This office has received your letter of May 14, 2015. Your letter requests our preliminary approval to expand the existing Nageezi Unit area by the addition of 1,280 acres of State and Federal lands.

The application data as submitted meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval to expand the Nageezi unit boundaries.

Preliminary approval shall not be construed to mean final approval of the unit expansion in any way and will not extend any short-term leases, until final approval and an effective date have been given.

When submitting your application for final approval, please submit the following:

1. Application letter for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.
3. Please comply with all other expansion requirements pursuant to Article 2 of the Nageezi Unit.
4. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.

**BEFORE THE OIL CONVERSATION
DIVISION**
Santa Fe, New Mexico
Exhibit No. 5
Submitted by: ENCANA
Hearing Date: June 25, 2015

Encana Oil and Gas (USA) Inc.
June 15, 2015
Page 2

5. Expansion/concurrence from the Bureau of Land Management.
6. Order of the New Mexico Oil Conservation Division and designation letter from the Bureau of Land Management. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.
7. Please submit a \$60.00 filing fee.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/pm

cc: Reader File,
NMOCD Attention: Mr. Daniel Sanchez
TRD-Attention: Ms. Billie Luther
RMD-Attention Mr. Danny Martinez
BLM- Attention: Mr. David Mankiewics