

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

Pools

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
Single Well  
☒ Establish Pre-Approved

EXISTING WELLBORE  
Yes ☐ No ☒

### APPLICATION FOR DOWNHOLE COMMINGLING

Encana Oil & Gas (USA) Inc.  
Operator 370 17<sup>th</sup> Street, Suite 1700, Denver, CO 80202  
Address

NM 118136 TBD TBD-10-23N-8W San Juan  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 282327 Property Code TBD API No. TBD Lease Type: ☒ Federal State Fee

DATA ELEMENT	Units C, D, E, F, K, L, M & N	Unit A, B, G, H, I, J, O & P
Pool Name	Nageezi Gallup Pool	Basin Mancos Gas Pool
Pool Code	47540	97232
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Top of Mancos Silt formation ~4650 TVD to Base of Gallup ~5400	Top of Mancos Silt formation ~4650 TVD to Base of Gallup ~5400
Method of Production (Flowing or Artificial Lift)		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	+/- 1645 psi	+/- 1645 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	41 degrees API	41 degrees API
Producing, Shut-In or New Zone	New Zone	New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Limited test data available at this time. See attached letter. Rates:	
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil Gas 50 % 50 %	Oil Gas 50 % 50 %

NOTE: this  
Commingling  
Application is to  
commingle two  
pools in the  
same formation.  
This will consist  
of horizontal  
wells.

### ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐  
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands  
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well:

### Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula.  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico  
Exhibit No. 2

Submitted by: ENCANA OIL & GAS (USA) INC.  
Hearing Date: February 18, 2016

### PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

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

SIGNATURE Katie Wegner TITLE Regulatory Analyst DATE November 2, 2015

TYPE OR PRINT NAME Katie Wegner TELEPHONE NO. (303)482-6819

E-MAIL ADDRESS Katie.wegner@encana.com