

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



April 29, 2013

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-373
Administrative Application Reference No. pPRG1309258545

Encana Oil & Gas (USA) Inc.
Attn: Ms. Holly Hill

Pursuant to your application received on April 1, 2013, Encana Oil & Gas (USA) Inc. (OGRID 282327) is hereby authorized to surface commingle **gas production only** from the following pools:

Lybrook Gallup (Oil)	(42289)
Wildcat Gallup	(97981)

and from the following diversely owned wells located on federal and State of New Mexico leases in Sandoval County, New Mexico:

See Exhibit A attached hereto.

Each well produces from only one pool identified on Exhibit A. No downhole commingling is authorized.

Each well will be equipped with individual gas meters for allocation purposes. Gas that has passed through the well meters will be commingled in operator's Lybrook Trunk No. 1 Gathering System, and will be again measured, and sold, at the transfer point on Enterprise Products Partners' pipeline, located in Section 36, Township 23 North, Range 7 West.

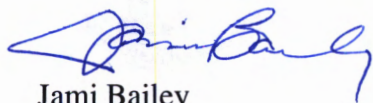
The operator shall notify the transporter of this commingling authority.

The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

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This approval is subject to like approval from the United States Bureau of Land Management and the New Mexico State Land Office before commencement of the commingling operations.

Sincerely,



Jami Bailey
Division Director

JB/db

cc: Oil Conservation Division District Office – Aztec
New Mexico State Land Office
United States Bureau of Land Management

Exhibit A
to PLC-373

Attachment No. 1
Encana Oil Gas (USA) Inc.
Lybrook Trunk Line #1 Gathering System Application
Sandoval County, New Mexico

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool *	Lease No.	Lease Type	Completion Date	Well Status
Lybrook H36-2307 01H	30-043-21117	SENE-36-23N-7W	S2N2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG-3925	State of NM	03/10/2012	Completed
Lybrook A03-2206 01H	30-043-21130	NENE-3-22N-6W	N2N2 Sec 3 22N 6W (160 acres)	Wildcat Gallup	NM109386	Federal/BLM	11/17/2012	Completed
Lybrook D22-2206 01H	30-043-21131	SWNW-22-22N-6W	N2N2 Sec 22 22N 6W (160 acres)	Wildcat Gallup (97981)	NM109389	Federal/BLM	01/06/2013	Completed
Lybrook D22-2306 02H	30-043-21128	SWNW-22-22N-6W	S2N2 Sec 22 22N 6W (160 acres)	Wildcat Gallup (97981)	NM109389	Federal/BLM	N/A	Not Drilled
Lybrook H03-2206 01H	30-043-21123	SENE-3-22N-6W	S2N2 Sec 3 22N 6W (160 acres)	Wildcat Gallup	NM109386	Federal/BLM	N/A	Not Drilled
Lybrook A32-2306 01H	30-043-21127	NENE-32-23N-6W	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	V-1399, NM89021	State of NM, Federal/BLM	N/A	Not Drilled
Lybrook H32-2306 01H	30-043-21126	SENE-32-23N-6W	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	V-1399, NM89021	State of NM, Federal/BLM	N/A	Not Drilled
Lybrook I32-2306 01H	30-043-21129	NESE-32-23N-6W	N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	V-1399	State of NM	N/A	Not Drilled
Lybrook I32-2306 02H	30-043-21125	NESE-32-23N-6W	S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	V-1399	State of NM	N/A	Not Drilled

* To date, Encana has one (1) horizontal well producing from the Lybrook Gallup Pool and two (2) horizontal wells producing from the Wildcat Gallup Pool. These three (3) wells were targeted and completed in a correlative interval within the Mancos formation. Completion design was also very similar in the three (3) wells. Initial flowback and hydrocarbon analysis results show very similar BTU heating content. The other six (6) wells that are scheduled to be drilled and commingled will also be targeted and completed in the same interval within the Mancos formation.