

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]

- NSL 7121.
 - ENCLANA Oil & Gas
 282327

- [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 _____

2014 JUN 26 10:09 AM
 NEW MEXICO OIL CONSERVATION DIVISION

- [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,
- [F] Waivers are Attached

Well
 - Good Times
 P36A-2410
 30-045-35449

Pool
 - Bisti, S-Gallup CO
 5860

[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.

MICHAEL H. FELDEWERT

Print or Type Name

Signature

ATTORNEY

Title

mfeldewert@hollandhart.com

e-mail Address

06/25/14

Date

June 25, 2014

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Encana Oil & Gas (USA) Inc. for administrative approval of an unorthodox well location in the South Bisti Gallup Oil Pool for its Good Times P36A 2410 01H well in the W/2E/2 of Section 1, Township 23 North, Range 10 West, N.M.P.M., San Juan County, New Mexico.

Dear Ms. Bailey:

Encana Oil & Gas (USA) Inc. (OGRID No. 282327) seeks administrative approval of an unorthodox well location for its **Good Times P36A 2410 01H** (API 30-045-3544) well to be completed within the South Bisti Gallup Oil Pool (Pool Code 5860). This well has been drilled from a surface location 314 feet from the South line and 850 feet from the East line (Unit P) of Section 36, Township 24 North, Range 10 West. The upper most perforation will be 310 feet from the North line and 1712 feet from the East line (Lot 2) of Section 1, Township 23 North, Range 10 West. The bottom hole location will be 379 feet from the South line and 1695 feet from the East line (Unit O) of Section 1. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, this well will be unorthodox because the first perforation will be closer than 330 feet to the northern boundary of the spacing unit.

Enclosed as **Exhibit A** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Good Times P36A 2410 01H** well encroaches on the spacing and proration unit to the North .

Enclosed as **Exhibit B** is a land map depicting the proposed **Good Times P36A 2410 01H** well in relation to adjoining spacing units and further identifies the owners in the affected leases.



Pursuant to 19.15.4.12.A(2)(b) NMAC, Oxy and Dugan are the only parties affected by the encroachment to the North. A copy of this application with all attachments has been sent by certified mail to both parties advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert

ATTORNEY FOR ENCANA OIL & GAS (USA).

cc: Oxy Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046

Dugan Production Corp.
709 East Murray Drive
Farmington, NM 87401

District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First Street, Artesia, NM 88210
Phone: (575) 746-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code	*Pool Name
	5860	SOUTH BISTI - GALLUP
*Property Code	*Property Name	*Well Number
	GOOD TIMES P36A-2410	01H
*GRID No.	*Operator Name	*Elevation
282327	ENCANA OIL & GAS (USA) INC.	6866'

10 Surface Location

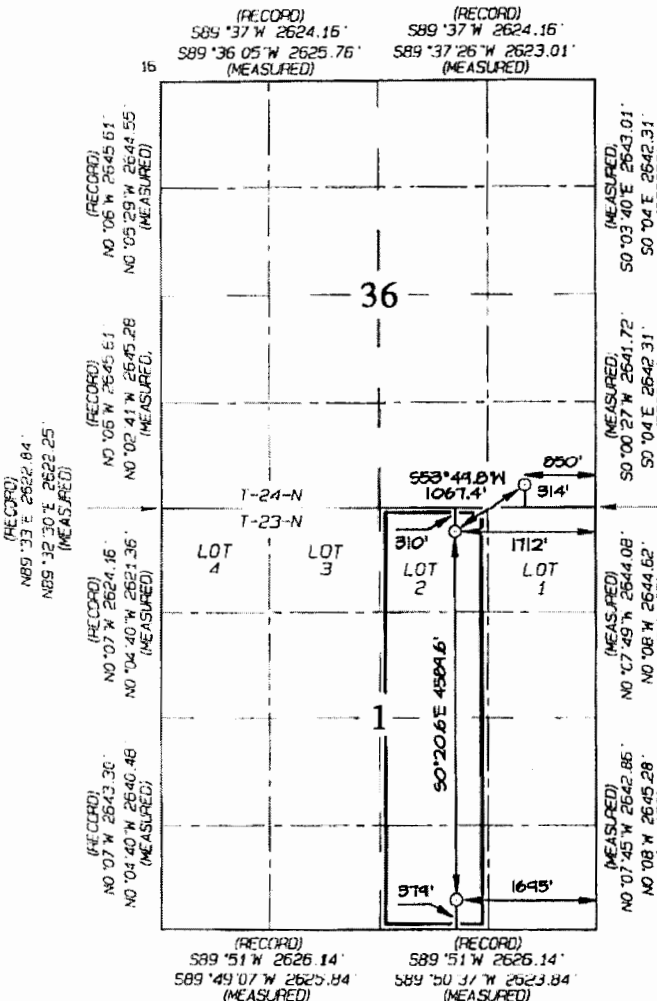
U. or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
P	36	24N	10W		314	SOUTH	850	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

U. or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
O	1	23N	10W		379	SOUTH	1695	EAST	SAN JUAN

*Dedicated Acres	159.79 Acres W/2 E/2 - Section 1	*Joint or Infill	*Consolidation Code	*Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION
UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE LOCATION
314' FSL 850' FEL
SECTION 36, T24N, R10W
LAT: 36.26408°N
LONG: 107.84143°W
DATUM: NAD1927

LAT: 36.26410°N
LONG: 107.84205°W
DATUM: NAD1983

POINT-OF-ENTRY
310' FSL 1712' FEL
SECTION 1, T23N, R10W
LAT: 36.26235°N
LONG: 107.84435°W
DATUM: NAD1927

LAT: 36.26236°N
LONG: 107.84497°W
DATUM: NAD1983

END-OF-LATERAL
379' FSL 1695' FEL
SECTION 1, T23N, R10W
LAT: 36.24974°N
LONG: 107.84426°W
DATUM: NAD1927

LAT: 36.24976°N
LONG: 107.84487°W
DATUM: NAD1983

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.

Kate Wegner 6/24/14
Signature Date
Kate Wegner
Printed Name
Kate.wegner@encana.com
E-mail Address

18 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.

Date Revised: JUNE 24, 2014
Date of Survey: AUGUST 13, 2012

Signature and Seal of Professional Surveyor



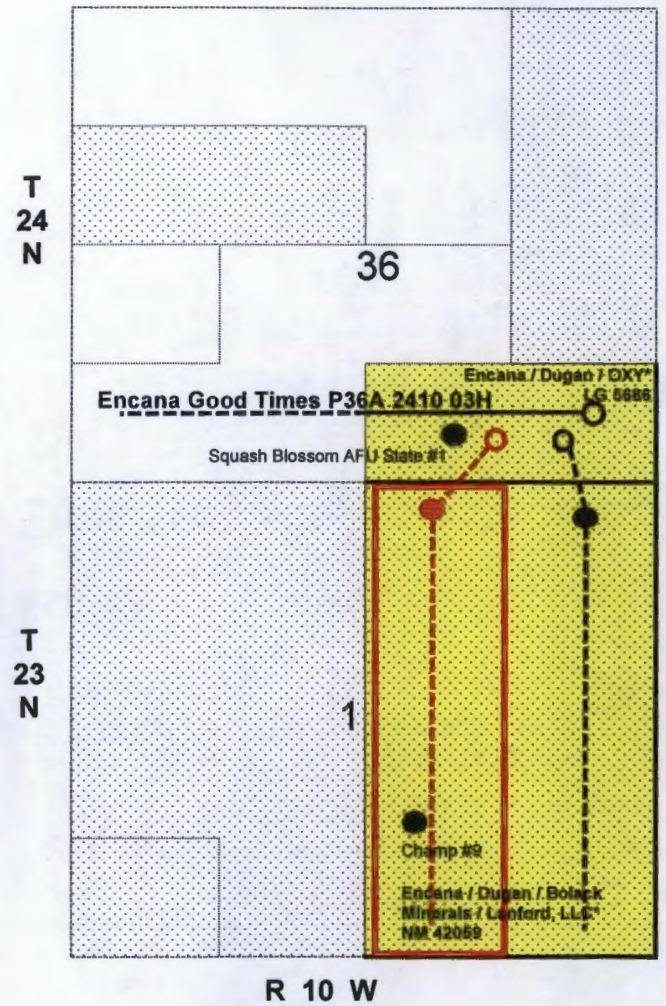
JASON C. EDWARDS
Certificate Number 15269





Exhibit B

Encana Oil & Gas (USA) Inc.
Application for Exception to Rule 4. (NSL)
South Bisti Gallup Oil Pool Order R-8090
San Juan County, New Mexico



	Encana Leases
	South Bisti Gallup Oil Pool
	<u>Good Times P36A 2410 01H</u>
	<u>Project Area - T23N-R10W, Section 1 Lot 2, SW4NE4, E2SE4</u>
	Surface Location 314' FSL, 850' FEL of Section 36, T24N-R10W
	Gallup Penetration Point 310' FNL, 1712' FEL of Section 1, T23N-R10W
	Bottomhole Location 379' FSL, 1695' FEL of Section 1, T23N-R10W

* Ownership reflected represents 100% leasehold working interest in the Mancos / Gallup Formation underlying each tract which is the subject of this Application





Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law -
New Mexico Board of Legal
Specialization
mfeldewert@hollandhart.com

June 25, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Encana Oil & Gas (USA) Inc. for administrative approval of an unorthodox well location in the South Bisti Gallup Oil Pool for its Good Times P36A 2410 01H well in the W/2E/2 of Section 1, Township 23 North, Range 10 West, N.M.P.M., San Juan County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Mona L. Binion
Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado 80202
(720) 876-5325
Mona.Binion@Encana.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR ENCANA OIL & GAS (USA) INC.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. 25

McMillan, Michael, EMNRD

From: Michael Feldewert <MFeldewert@hollandhart.com>
Sent: Friday, June 27, 2014 10:33 AM
To: McMillan, Michael, EMNRD
Subject: ENCANA Good Times P36A-2410 01H
Attachments: Revision - Sundry to Change SHL POE Project Area BLM 6-25-14.pdf

Attached is the BLM sundry that accompanied the C-102 we provided with the application. Thanks for staying on top of this and have a good weekend.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, June 27, 2014 8:04 AM
To: Michael Feldewert
Subject: RE: ENCANA Good Times P36A-2410 01H

Thank You for the quick response. I look through our well files, and I did not see the BLM sundry notice of change of location. So can you get Encana to e-mail me the BLM sundry notice?

Thanks
Mike

From: Michael Feldewert [<mailto:MFeldewert@hollandhart.com>]
Sent: Thursday, June 26, 2014 5:25 PM
To: McMillan, Michael, EMNRD
Subject: ENCANA Good Times P36A-2410 01H

Mike: There was apparently some confusion when this well was drilled resulting in differences between what was initially permitted and what is now the "as drilled" location of the well. I have confirmed today that Encana has submitted a sundry notice reflecting the different surface location and penetration point, and which matches the C-102 we submitted with the NSL application.

Sorry for the confusion, and please realize that I was likewise unaware of this development. If you have any questions please feel free to call me.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Thursday, June 26, 2014 1:39 PM
To: Michael Feldewert
Subject: ENCANA Good Times P36A-2410 01H

Michael:

Encana already has a well Good Times P36A-2410H with a surface: 287'FSL&862FEL Section36 T24N R10W; BHL 330 FSL and 1730 FSL Section 1 T23N R10W. API 30-045-35449

Today's application: 314FSL &850 FEL Section36 T24N R10W; BHL 379 FSL and 1695 FSL Section 1 T23N R10W.

Both are called the Good Time P36A-2410 01H

So, is the application we received today for a new well, or is it a change in the original application?

Mike

McMillan, Michael, EMNRD

From: Michael Feldewert <MFeldewert@hollandhart.com>
Sent: Thursday, July 10, 2014 11:53 AM
To: McMillan, Michael, EMNRD
Subject: Question re Encana Good Times P36A-2410

Mike: Nice job today at the hearings.

The reason for the first perfs at 310 is due to a drilling mistake. This well was drilled from a surface location north of the intended location, resulting in the point of entry (and eventual perfs) being further north than planned. The amended plat was filed to reflect that actual surface location and completed interval of the well.

Let me know if you need anything else.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Wednesday, July 09, 2014 4:20 PM
To: Michael Feldewert
Subject: Encana Good Times P36A-2410

Michael:
Why will the first perfs be 310 FNL? Is it to increase reserves or production?
Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM 42059

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Encana Oil & Gas (USA) Inc.

3a. Address
370 17th Street, Suite 1700
Denver CO, 80202

3b. Phone No. (include area code)
720-876-5867

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 314' FSL, 850' FEL Section 36, T24N R10W
BHL: 379' FSL, 1695' FEL Section 1, T23N R10W

7. If Unit of CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Good Times P36A-2410 01H

9. API Well No.
30-045-35449

10. Field and Pool or Exploratory Area
South Bisti-Gallup

11. Country or Parish, State
San Juan, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Update SHL and PA</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Encana Oil & Gas (USA) Inc. (Encana) would like to adjust the SHL for the Good Times P36A-2410 01H to be 314 FSL, 850 FEL. Attached is an updated C-102 reflecting this SHL change. Please note, this C-102 reflects the "as-drilled" BHL and POE. The rig was released on 6/14/2014.


The SHL was adjusted due to a misinterpretation of the well pad plat that resulted in drilling the Good Times P36A-2410 01H well from the Good Times P36A-2410 03H wellhead location.

Encana will submit an application and receive approval for a Non-Standard Location prior to producing the well.

Also note, that the project area was modified from 320 acres to 160 acres.

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)
Katie Wegner

Title Regulatory Analyst

Signature  Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.