

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Dave Martin**  
Cabinet Secretary-Designate

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



April 22, 2013

Encana Oil & Gas (USA) Inc.  
c/o Holland & Hart LLP  
Attn: Mr. Michael Feldewert

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6795**  
**Administrative Application Reference No. pPRG1309132780**

**Encana Oil & Gas (USA) Inc.**  
OGRID 282327  
**Meadows I08-3014 Well No. 01H**  
API No. 30-045-35320

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1599 FSL & 292 FEL	I	8	30N	14W	San Juan
Penetration Point	1751 FSL & 1031 FEL	I	8	30N	14W	San Juan
Terminus	1789 FSL & 356 FWL	L	8	30N	14W	San Juan

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 of Section 8	320	Basin-Mancos Gas Pool	97232

Reference is made to your application received on March 28, 2013.

You have requested approval of an unorthodox oil well location for the well described above in the referenced pool or formation. This location is governed by Order No. R-12984 [September 3, 2008] which provides for 320-acre units with wells located at least 660 feet from the outer boundary of a spacing unit, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. The location is unorthodox because the terminus is closer than 660 feet from the outer boundary of the spacing unit and corresponding project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

April 22, 2013

Page 2

It is our understanding that you are seeking this location approval based on a determination by District III that this well is in the Basin-Mancos Gas Pool.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is written in a cursive style with a large initial "J" and "B".

Jami Bailey  
Director

JB/pg

cc: New Mexico Oil Conservation Division – Aztec  
Bureau of Land Management - Farmington