

DATE IN 04/09/13	SUSPENSE	ENGINEER PG	LOGGED IN 04/10/13	TYPE NSL	APP NO. PPRG1310034825
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35442
API Pending 30-045-
Good Times L10-2410* OIH
Encana Oil & Gas

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]

[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 _____

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[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

[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 _____ 4/9/13
 Print or Type Name Signature Title Date
 Attorney
 mfeldewert@hollandheart.com
 e-mail Address



April 9, 2013

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

2013 APR - 9 P 3:44
RECEIVED OOD

Re: Application of Encana Oil & Gas (USA) Inc. for administrative approval of an unorthodox well location for its Good Times L10-2410 01H Well in the Basin Mancos Gas Pool in the S/2 of Section 9, Township 24 North, Range 10 West, N.M.P.M., San Juan County, New Mexico

Dear Ms. Bailey:

Encana Oil & Gas (USA) Inc. (OGRID No. 282327) hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 NMAC for an unorthodox well location for its Good Times L10-2410 01H well to be located in the S/2 of Section 9, Township 24 North, Range 10 West, N.M.P.M., San Juan County, New Mexico. The proposed well will be drilled horizontally in the Basin Mancos formation at a surface location 1753 feet from the South line and 199 feet from the West line in Section 10 (adjacent section to the Project Area), with a bottom hole location 1753 feet from the South line and 330 feet from the West line in Section 9. A 320 acre project area will be dedicated to this well comprised of the S/2 of Section 9.

This S/2 of Section 9 is in the Basin Mancos Gas Pool, which is governed by Special Rules requiring 320-acre spacing units and wells to be located no closer than 660 feet to the outer boundary of the spacing unit. Since the penetration point for the proposed well will be located 330 feet from the East line and the bottom-hole location will be located only 330 feet from the West line of Section 9, Encana requires an exception to Rule 2.C(1) of the Special Rules before it can dedicate the S/2 of Section 9 to this horizontal well.

Exhibit A is the Form C-102 for this well that Encana intends to file with the Division. It reflects that the location of this proposed well complies with the location requirements of the Basin Mancos Gas Pool except for the penetration point, which encroaches on the offsetting spacing unit in the Section 10, and the bottom-hole location, which encroaches on the offsetting spacing unit in Section 8.

Exhibit B is a plat showing the leases for the affected spacing units in Sections 8 and 10. It reflects that Encana and Coleman Oil & Gas are the lessees of the offsetting spacing units in Sections 8 and 10.

Exhibit C is a copy of the notice letter that has been sent to Coleman Oil & Gas, as well as the BLM and the Bureau of Indian Affairs. The letter informs the affected parties that any objection to this application must be filed in writing with the Division within twenty days of the date of this application.

Approval of this unorthodox well location is necessary to allow for the most efficient horizontal well development pattern in the S/2 of Section 9. Your attention to this application is greatly appreciated.

Sincerely,



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

Enclosures

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) 748-1283 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 36-045-35442		*Pool Code 97232	*Pool Name BASIN MANCOS
*Property Code	*Property Name GOOD TIMES L10-2410		*Well Number 01H
*OGRID No. 282327	*Operator Name ENCANA OIL & GAS (USA) INC.		*Elevation 6896'

¹⁰ Surface Location

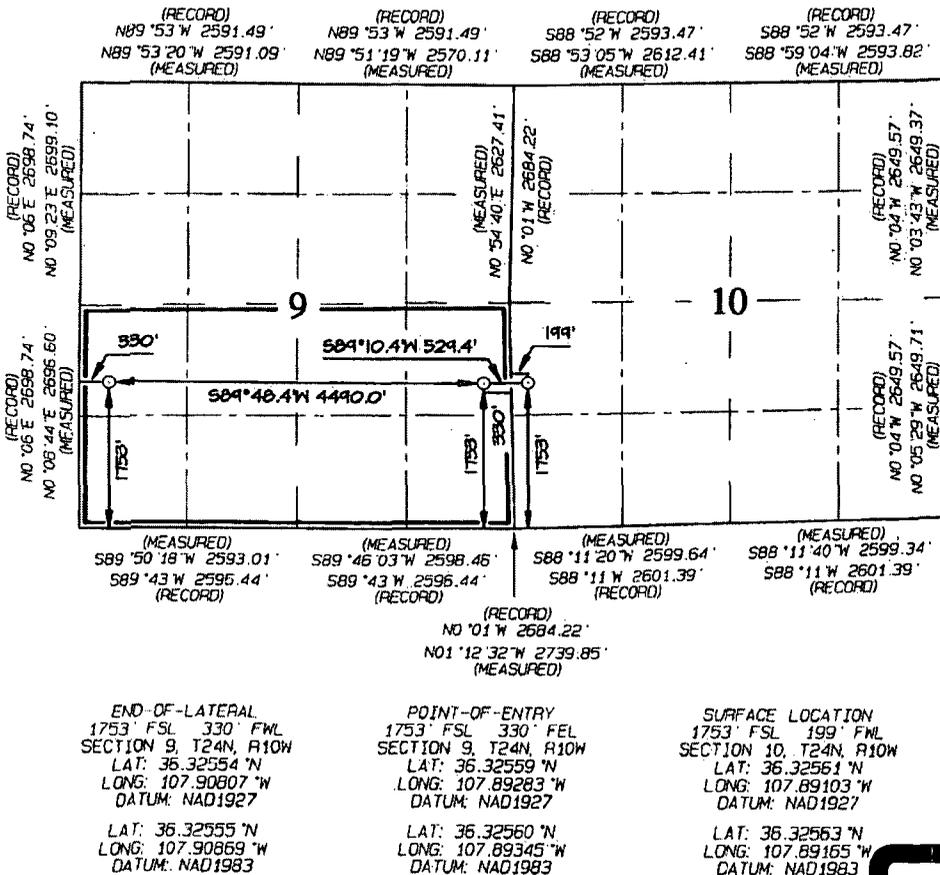
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	10	24N	10W		1753	SOUTH	199	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	24N	10W		1753	SOUTH	330	WEST	SAN JUAN

¹² Dedicated Acres 320.0 Acres S/2 - Section 9	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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.

Signature: *Holly Hill* Date: 3/25/13
Printed Name: Holly Hill
E-mail Address: holly.hill@encana.com

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: FEBRUARY 25, 2013
Survey Date: OCTOBER 10, 2012

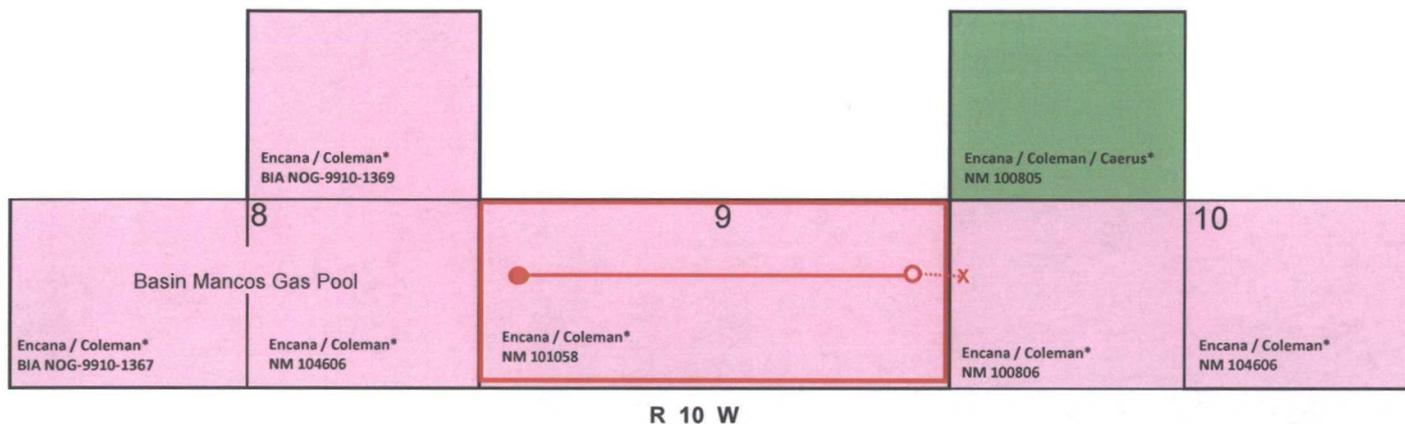
Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

EXHIBIT





All Lands depicted on this map are located within boundary of Basin Mancos Gas Pool

 Basin Mancos Gas Pool

 Bisti Lower Gallup Oil Pool

 Good Times L10 2410 01H

Project Area - T24N-R10W, Section 9 S2

Surface Location 1753' FSL 199' FWL Section 10, 24N-10W
 Gallup Penetration Point 1753' FSL, 330" FEL Section 9, 24N-10W
 Bottomhole Location 1753' FSL, 330' FWL, Section 9, 24N-10W

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

Exhibit B

Encana Oil & Gas (USA) Inc.
 Application for Exception to Rule 2. C. (1)
 Non-Standard Location
 Basin Mancos Gas Pool
 San Juan County, New Mexico



HOLLAND & HART^{LLP}



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

April 9, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Coleman Oil & Gas, Inc.
6540 East Main Street
Farmington, New Mexico 87402

Bureau of Land Management
Farmington Field Office
6251 College Blvd., Suite A
Farmington, New Mexico 87402

Federal Indian Minerals Office
6251 College Blvd, Suite B,
Farmington, New Mexico 87402

Re: Application of Encana Oil & Gas (USA) Inc. for administrative approval of an unorthodox well location for its Good Times L10 2410 01H well in the Basin Mancos Gas Pool in the S/2 of Section 9, Township 24 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



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. ♻