

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 14, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-373-F
Administrative Application Reference No. pKSC1717459040

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

Pursuant to your application received on June 23, 2017, Encana Oil & Gas (USA) Inc. (OGRID 282327) is hereby authorized to surface commingle gas production from the following pools:

COUNSELORS GALLUP-DAKOTA	(13379)
LYBROOK GALLUP	(42289)
WC 22N6W22; GALLUP (O)	(97981)

and from wells, and their associated leases and pools identified in Attachment A and made part of this order. These wells are located on federal and state leases located in Township 22 North Range 6 West, Township 23 North Range 6 West, and Township 23 North Range 7 West, NMPM, Sandoval County, New Mexico.

The commingled gas production from the wells detailed above shall be measured and sold at the Enterprise Products Partners Central Delivery Point (Enterprise CDP) in Unit E of Section 36, Township 23 North, Range 7 West, NMPM, Sandoval County, New Mexico. In the event of problems at the Enterprise CDP, a second measurement facility the Williams Field Service Pipeline Central Delivery Point (Williams CDP) is located in Unit P of Section 34, Township 23 North, Range 6 West, NMPM, Sandoval County, New Mexico.

Production from the subject wells shall be determined as follows:

The gas production from each of the wells within the diversely-owned leases shall be measured with allocation meters, before commingling at the Enterprise CDP or Williams CDP.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

The operator shall notify the transporter of this commingling authority.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

This Order supersedes Division Order PLC-373-E, issued on July 29, 2015. The amended application includes 82 wells and corresponding projected areas approved by the previous administrative order, two proposed wells in the Gallo Canyon Unit, and the GUS YJ State Well No. 1 (API 30-043-20831) operated by Dugan Production Corporation.

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

The operator shall notify the Aztec District office of the Division prior to implementation of the commingling operations.

DONE at Santa Fe, New Mexico, on July 14, 2017.


DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Aztec
New Mexico State Land Office – Oil, Gas, and Minerals
United States Bureau of Land Management - Farmington

**ATTACHMENT A: Encana Wells
Lybrook Gathering System**

Initial Application for Lybrook Trunk # 1 Gathering System - PLC-373							
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool	Well Status	Comments	Well count
Lybrook H36-2307 01H	30-043-21117	H-SENE-36-23N-7W	S2N2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	Completed		1
Lybrook A03-2206 01H	30-043-21130	A-NENE-3-22N-6W	N2N2 Sec 3 22N 6W (163.08 acres)	Lybrook Gallup Pool	Completed		2
Lybrook H03-2206 01H	30-043-21123	H-SENE-3-22N-6W	S2N2 Sec 3 22N 6W (160 acres)	Lybrook Gallup Pool	Completed		3
Lybrook D22-2206 01H	30-043-21131	D-NWNW-22-22N-6W	N2N2 Sec 21 22N 6W (160 acres)	WC 22N6W; Gallup (O)	Completed		4
Lybrook A32-2306 01H	30-043-21127	A-NENE-32-23N-6W	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	Completed		5
Lybrook H32-2306 01H	30-043-21126	H-SENE-32-23N-6W	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	Completed		6
Lybrook I32-2306 01H	30-043-21129	I-NESE-32-23N-6W	N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	Completed		7
Lybrook I32-2306 02H	30-043-21125	I-NESE-32-23N-6W	S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	Completed		8
Amendment to Lybrook Trunk # 1 Gathering System Dated August 9, 2013 - PLC-373-A/OLM-82							
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool	Well Status	Comments	Well count
Lybrook M31-2306 02H	30-043-21146	M-SWSW-31-23N-6W	N2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	Completed		9
Lybrook M31-2306 03H	30-043-21145	M-SWSW-31-23N-6W	S2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	Completed		10
Lybrook H01-2206 01H	30-043-21122	H-SENE-1-22N-6W	S2N2 Sec 1 22N 6W (160 acres)	Lybrook Gallup Pool	Completed		11
Lybrook A01-2206 01H	30-043-21137	A-NENE-1-22N-6W	N2N2 Sec 1 22N 6W (161.4 acres)	Lybrook Gallup Pool	Completed		12
Lybrook P24-2206 01H	30-043-21124	P-SESE-24-22N-6W	S2S2 Sec 24 22N 6W (160 acres)	Lybrook Gallup Pool	Completed		13
Lybrook I30-2306 02H (fka Lybrook D32-2306 01H, Lybrook L29-2306 01H)	30-043-21181	I-NESE-30-23N-6W	S2S2 Sec 30 23N 6W (160.79 acres)	Lybrook Gallup Pool	Not Drilled		14
Lybrook I30-2306 01H (fka Lybrook M29-2306 01H)	30-043-21180	I-NESE-30-23N-6W	N2S2 Sec 30 23N 6W (160.85 acres)	Lybrook Gallup Pool	Not Drilled		15
Lybrook E29-2306 01H	30-043-21141	D-NWNW-29-23N-6W		Lybrook Gallup Pool	Completed		16
Lybrook E29-2306 03H	30-043-21142	E-SWNW-29-23N-6W	S2N2 Sec 30 23N 6W (160.91 acres)	Lybrook Gallup Pool	Completed		17
Venado Canyon Unit 201H (fka Lybrook P12-2206 01H)	30-043-21271	P-SESE-12-22N-6W	S2 Sec 1, NE, S2 Sec. 10, All Sec. 11-15, N2 Sec. 22, All Sec. 23, N2 Sec 24, 22N 6W (5280 acres)	Lybrook Gallup Pool	Not Drilled		18
Venado Canyon Unit 202H (fka Lybrook P12-2206 03H)	30-043-21272	P-SESE-12-22N-6W			Not Drilled		19
Lybrook M28-2306 01H	30-043-21178	M-SWSW-28-23N-6W	W2W2 Sec 33 23N 6W (160 acres)	Lybrook Gallup Pool	Completed		20
Lybrook M28-2306 02H	30-043-21175	M-SWSW-28-23N-6W			Completed		21

Amendment to Lybrook Trunk # 1 Gathering System Dated January 30, 2014 - PLC-373-C/OLM-82-B							
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool	Well Status	Comments	Well count
Lybrook H36A-2307 01H	30-043-21183	H-SENE-36-23N-7W	N2N2 Sec 36 T23N R7W (160 acres)	Lybrook Gallup Pool	Completed		22
Lybrook M27-2306 02H	30-043-21153	M-SWSW-27-23N-6W	S2 Sec 28 T23N R6W (320.00 acres)	Counselors Gallup-Dakota	Completed		23
Lybrook M27-2306 04H	30-043-21151	M-SWSW-27-23N-6W			Completed		24
Lybrook E27-2306 01H	30-043-21152	E-SWNW-27-23N-6W	N2 Sec 28 T23N R6W (320.00 acres)	Counselors Gallup-Dakota	Completed		25
Lybrook E27-2306 03H	30-043-21150	E-SWNW-27-23N-6W			Completed		26
Lybrook M28-2306 03H	30-043-21194	M-SWSW-28-23N-6W	E2W2 Sec 33 23N 6W (160 acres)	Lybrook Gallup Pool	Completed		27
Lybrook P28-2306 01H	30-043-21176	P-SESE-28-23N-6W	W2E2 Sec 33 T23N R6W & W2NE Sec 4 T22N R6W (240.81 acres)	Lybrook Gallup Pool	Completed		28
Lybrook P28-2306 02H	30-043-21177	P-SESE-28-23N-6W	E2E2 Sec 33 T23N R6W & E2NE Sec 4 T22N R6W (240.83 acres)	Lybrook Gallup Pool	Completed		29
Lybrook K32-2306 01 (Vertical Well)	30-043-21192	K-NESW-32-23N-6W	NESW Sec 32 T23N R6W (40.00 acres)	Lybrook Gallup Pool	Pressure observation well. Will not be completed.		30
Gallo Canyon Unit 209H (fka Gallo Canyon Unit M27-2306 01H)	30-043-21179	M-SWSW-27-23N-6W	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	Completed		31
Gallo Canyon Unit 203H (fka Gallo Canyon Unit P26-2306 01H)	30-043-21207	P-SESE-26-23N-6W			Completed		32
Gallo Canyon Unit 204H (fka Gallo Canyon Unit P26-2306 02H)	30-043-21209	P-SESE-26-23N-6W			Completed		33
Gallo Canyon Unit 206H (fka Gallo Canyon Unit M26-2306 01H)	30-043-21205	M-SWSW-26-23N-6W			Completed		34
Gallo Canyon Unit 207H (fka Gallo Canyon Unit O27-2306 01H)	30-043-21206	O-SWSE-27-23N-6W			Completed		35
Gallo Canyon Unit 208H (fka Gallo Canyon Unit O27-2306 02H)	30-043-21208	O-SWSE-27-23N-6W			Completed		36
Gallo Canyon Unit 301H (fka Gallo Canyon Unit H33-2306 01H)	30-043-21233	H-SENE-33-23N-6W			Completed		37
Gallo Canyon Unit 106H (fka Gallo Canyon Unit D22-2306 03H and Gallo Canyon Unit D22-2306 01H)	30-043-21256	D-NWNW-22-23N-6W			Not Drilled		38
Gallo Canyon Unit 105H (fka Gallo Canyon Unit M23-2306 02H and Gallo Canyon Unit M23-2306 01H)	30-043-21265	M-SWSW-23-23N-6W			Not Drilled		39
Gallo Canyon Unit 103H (fka Gallo Canyon Unit N23-2306 01H)	30-043-21263	N-SESW-23-23N-6W			Not Drilled		40
Gallo Canyon Unit 101H (fka Gallo Canyon Unit M24-2306 01H)	30-043-21259	M-SWSW-24-23N-6W			Not Drilled		41
Gallo Canyon Unit 102H (fka Gallo Canyon Unit M24-2306 02H)	30-043-21260	M-SWSW-24-23N-6W			Not Drilled		42
Gallo Canyon Unit 201H (fka Gallo Canyon Unit L25-2306 01H)	30-043-21255	L-NWSW-25-23N-6W			Not Drilled		43

Amendment to Lybrook Trunk #1 Gathering System Dated May 15, 2014 - PLC 373-D and OLM 82-C							
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool	Well Status	Comments	Well count
Gallo Canyon Unit 205H (fka Gallo Canyon Unit E26-2306 03H and Gallo Canyon Unit E26-2306 01H)	30-043-21261	E-SWNW-26-23N-6W	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	Not Drilled		44
Venado Canyon Unit 102H (fka Lybrook P03-2206 01H)	30-043-21221	P-SESE-3-22N-6W	S2 Sec 1, NE, S2 Sec. 10, All Sec. 11-15, N2 Sec. 22, All Sec. 23, N2 Sec 24, 22N 6W (5280 acres)	Lybrook Gallup Pool	Completed		45
Venado Canyon Unit 103H (fka Lybrook P03-2206 02H)	30-043-21220	P-SESE-3-22N-6W			Completed		46
Lybrook COM D22-2306 01H	30-043-21252	D-NWNW-22-23N-6W	N2 Sec 21 23N 6W (320 acres)	Counselors Gallup-Dakota	Not Drilled		47
Lybrook COM D22-2306 02H	30-043-21253	D-NWNW-22-23N-6W			Not Drilled		48

Amendment to Lybrook Trunk #1 Gathering System Dated July 2, 2015							
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool	Well Status	Comments	Well count
Gallo Canyon Unit 104H	30-043-21264	N-SESW-23-23N-6W	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	Not Drilled		49
Gallo Canyon Unit 202H	30-043-21254	L-NWSW-25-23N-6W	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	Not Drilled		50
Lybrook A32-2306 02H	PENDING	A-NENE-32-23N-6W	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	Not Drilled		51
Lybrook H32-2306 02H	PENDING	H-SENE-32-23N-6W	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	Not Drilled		52
Lybrook E26-2306 02H	30-043-21262	E-SWNW-26-23N-6W	N2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota	Not Drilled		53
Lybrook E29-2306 02H	PENDING	D-NWNW-29-23N-6W	N2N2 Sec 30 23N 6W (160.97 acres)	Lybrook Gallup Pool	Not Drilled		54
Lybrook E29-2306 04H	PENDING	E-SWNW-29-23N-6W	S2N2 Sec 30 23N 6W (160.91 acres)	Lybrook Gallup Pool	Not Drilled		55
Lybrook M23-2306 01H	30-043-21266	M-SWSW-23-23N-6W	N2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota	Not Drilled		56
Lybrook M26-2306 01H	30-043-21250	M-SWSW-26-23N-6W	S2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota	Not Drilled		57
Lybrook M26-2306 02H	30-043-21251	M-SWSW-26-23N-6W			Not Drilled		58
Lybrook I21-2306 01H	30-043-21258	I-NESE-21-23N-6W	S2 Sec 21 23N 6W (320 acres)	Counselors Gallup-Dakota	Not Drilled		59
Lybrook I21-2306 02H	30-043-21257	I-NESE-21-23N-6W			Not Drilled		60
Lybrook I32-2306 03H	PENDING	I-NESE-32-23N-6W	N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	Not Drilled		61
Lybrook I32-2306 04H	PENDING	I-NESE-32-23N-6W	S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	Not Drilled		62
Lybrook M31-2306 01H	PENDING	M-SWSW-31-23N-6W	N2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	Not Drilled		63

Lybrook M31-2306 04H	PENDING	M-SWSW-31-23N-6W	S2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	Not Drilled		64
Venado Canyon Unit 001H	PENDING	E-SWNW-1-22N-6W	S2 Sec 1, NE, S2 Sec. 10, All Sec. 11-15, N2 Sec. 22, All Sec. 23, N2 Sec 24, 22N 6W (5280 acres)	Lybrook Gallup Pool	Not Drilled		65
Venado Canyon Unit 002H	PENDING	E-SWNW-1-22N-6W			Not Drilled		66
Venado Canyon Unit 101H	PENDING	M-SWSW-1-22N-6W			Not Drilled		67
Venado Canyon Unit 203H	PENDING	M-SWSW-12-22N-6W			Not Drilled		68
Venado Canyon Unit 204H	PENDING	M-SWSW-12-22N-6W			Not Drilled		69
Venado Canyon Unit 205H	PENDING	L-NWSW-12-22N-6W			Not Drilled		70
Venado Canyon Unit 206H	PENDING	L-NWSW-12-22N-6W			Not Drilled		71
Venado Canyon Unit 207H	PENDING	A-NENE-11-22N-6W			Not Drilled		72
Venado Canyon Unit 403H	PENDING	C-NENW-22-22N-6W			Not Drilled		73
Venado Canyon Unit 404H	PENDING	C-NENW-22-22N-6W			Not Drilled		74
Venado Canyon Unit 301H	PENDING	B-NWNE-14-22N-6W			Not Drilled		75
Venado Canyon Unit 302H	PENDING	B-NWNE-14-22N-6W			Not Drilled		76
Venado Canyon Unit 303H	PENDING	B-NWNE-14-22N-6W			Not Drilled		77
Venado Canyon Unit 304H	PENDING	B-NWNE-14-22N-6W			Not Drilled		78
Venado Canyon Unit 305H	PENDING	A-NENE-15-22N-6W			Not Drilled		79
Venado Canyon Unit 306H	PENDING	A-NENE-15-22N-6W			Not Drilled		80
Venado Canyon Unit 401H	PENDING	N-SESW-23-22N-6W			Not Drilled		81
Venado Canyon Unit 402H	PENDING	N-SESW-23-22N-6W			Not Drilled		82

Amendment to Lybrook Trunk #1 Gathering System Dated June 30, 2017

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool	Well Status	Comments	Well count
Gus YJ State No. 1	30-043-20831	B-NWNE-32-23N-6W	NWNE Sec 32 T23N R6W (40 acres)	Lybrook Gallup	Completed	Dugan Production Company Operator	83
Gallo Canyon Unit 210H (M27-2306)	30-043-21283	M-SWSW-27-23N-6W	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	Not Drilled		84
Gallo Canyon Unit 211H (P26-2306)	30-043-21282	P-SESE-26-23N-6W			Not Drilled		85