

RECEIVED: <u>6-23-17</u>	REVIEWER: <u>MAM</u>	TYPE: <u>PLC</u>	APP NO: <u>DRSC1717459040</u>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

**Applicant:** Encana Oil & Gas (USA) Inc. **OGRID Number:** 282327  
**Well Name:** See Attached - Attachment No. 1 **API:** See Attachment No. 1  
**Pool:** See Attached - Attachment No. 1 **Pool Code:** See Attached

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling - Storage - Measurement  
 DHC     CTB     PLC     PC     OLS     OLM
- [ II ] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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.**

Holly Hill  
 Print or Type Name

6/23/2017  
 Date

Holly Hill  
 Signature

720-876-5331  
 Phone Number

holly.hill@encana.com  
 e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Encana Oil & Gas (USA) Inc.  
OPERATOR ADDRESS: 370 17th Street, Suite 1700  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)  
LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. PLC-373-E/OLM-82-B  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Lybrook Gallup (42289)	41° API/1350 BTU	Only gas to be commingled 1350 BTU	Only gas to be commingled Value = +/- 3.30 mmbtu	5-500 mcf/d
Counselors Gallup Dakota (13379)	41° API/1350 BTU			5-500 mcf/d
Basin Mancos Gas Pool (97232)	41° API/1350 BTU			5-500 mcf/d
(2) Are any wells producing at top allowables? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Has all interest owners been notified by certified mail of the proposed commingling? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No. (4) Measurement type: <input checked="" type="checkbox"/> Metering <input type="checkbox"/> Other (Specify) (5) Will commingling decrease the value of production? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "yes", describe why commingling should be approved				

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code.  
 (2) Is all production from same source of supply?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
 (4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E. See Attached

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(1) Is all production from same source of supply?  Yes  No  
 (2) Include proof of notice to all interest owners. See Attached

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
 (3) Lease Names, Lease and Well Numbers, and API Numbers. See Attached

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Holly Hill TITLE: Sr Regulatory Analyst DATE: 06/23/2017  
 TYPE OR PRINT NAME Holly Hill TELEPHONE NO.: 720-876-5331  
 E-MAIL ADDRESS: holly.hill@encana.com

Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment

Initial Application for Lybrook Trunk # 1 Gathering System - PLC-373																
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization or Unit No. if Applicable	Dedicated Area No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mc/Day)	Projected Lease Gas Rate (Mc/Day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/sec) (through 1st -6 Months)	Projected Gas Heating Value (Btu/sec) after -1st 6 months)	Comments
Lybrook H36-2307 01H	30-043-21117	H-SENE-36-23N-7W	N/A	1	S2N2 Sec 36 23N 7W (160 acres)	Lybrook Gatlup Pool	LG 3925	NM State	03/10/2012	Completed	350	350	1%	950	1215	These initial 8 wells were drilled, completed, and are producing.
Lybrook A03-2208 01H	30-043-21130	A-NENE-3-22N-6W	N/A	2	N2N2 Sec 3 22N 6W (163.06 acres)	Lybrook Gatlup Pool	NM 109388	USA	03/10/2012	Completed	1182	1572	5%	950	1215	
Lybrook H03-2206 01H	30-043-21123	H-SENE-3-22N-6W	N/A	3	S2N2 Sec 3 22N 6W (160 acres)	Lybrook Gatlup Pool	NM 109388	USA	05/14/2013	Completed	410			950	1215	
Lybrook D22-2206 01H	30-043-21131	D-NWNW-22-22N-6W	N/A	4	N2N2 Sec 21 22N 6W (160 acres)	Wildcat Gatlup Pool	NM 109389	USA	11/17/2012	Completed	410	410	1%	950	1215	
Lybrook A32-2306 01H	30-043-21127	A-NENE-32-23N-6W	NMNM 130514	5	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gatlup Pool	V 1399 & NM 89021	USA & NM State	06/09/2013	Completed	350	700	2%	950	1215	
Lybrook H32-2306 01H	30-043-21126	H-SENE-32-23N-6W	NMNM 130513	6	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gatlup Pool	V 1399	NM State	07/02/2013	Completed	350			950	1215	
Lybrook I32-2306 01H	30-043-21129	I-NESE-32-23N-6W	N/A	7a	N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gatlup Pool			05/20/2013	Completed	350	700	2%	950	1215	
Lybrook I32-2306 02H	30-043-21125	I-NESE-32-23N-6W	N/A	7b	S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gatlup Pool			06/09/2013	Completed	350			950	1215	
Amendment to Lybrook Trunk # 1 Gathering System Dated August 9, 2013 - PLC-373-A/O/LM-32																
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mc/Day)	Projected Lease Gas Rate (Mc/Day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/sec) (through 1st -6 Months)	Projected Gas Heating Value (Btu/sec) after -1st 6 months)	Comments
Lybrook M31-2306 02H	30-043-21146	M-SWSW-31-23N-6W	N/A	8a	N2S2 Sec 36 23N 7W (160 acres)	Lybrook Gatlup Pool	LG 3925	NM State	09/17/2013	Completed	350	700	2%	950	1215	Current Status: 9 wells from this Amendment were drilled, completed, and are currently producing. Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfpd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.
Lybrook M31-2306 03H	30-043-21145	M-SWSW-31-23N-6W	N/A	8b	S2S2 Sec 36 23N 7W (160 acres)	Lybrook Gatlup Pool	LG 3925	NM State	09/22/2013	Completed	350			950	1215	
Lybrook H01-2206 01H	30-043-21122	H-SENE-1-22N-6W	N/A	9	S2N2 Sec 1 22N 6W (160 acres)	Lybrook Gatlup Pool	NM 109385	USA	03/17/2014	Completed	350	700	2%	950	1215	
Lybrook A01-2206 01H	30-043-21137	A-NENE-1-22N-6W	N/A	10	N2N2 Sec 1 22N 6W (161.4 acres)	Lybrook Gatlup Pool	NM 109385	USA	03/10/2014	Completed	350			950	1215	
Lybrook P24-2206 01H	30-043-21124	P-SESE-24-22N-6W	N/A	11	S2S2 Sec 24 22N 6W (160 acres)	Wildcat Gatlup Pool	NM 109390	USA	05/12/2014	Completed	350	350	1%	950	1215	
Lybrook I30-2306 02H (aka Lybrook D32-2306 01H, Lybrook L28-2306 01H)	30-043-21181	I-NESE-30-23N-6W	N/A	12a	S2S2 Sec 30 23N 6W (160.79 acres)	Lybrook Gatlup Pool & Basin Mancos Gas Pool	NM 117564	USA	N/A	Not Drilled	350			950	1215	
Lybrook I30-2306 01H (aka Lybrook M29-2306 01H)	30-043-21180	I-NESE-30-23N-6W	N/A	12b	N2S2 Sec 30 23N 6W (160.85 acres)	Lybrook Gatlup Pool	NM 117564	USA	N/A	Not Drilled	350	1400	5%	950	1215	
Lybrook E28-2306 01H	30-043-21141	D-NWNW-29-23N-6W	N/A			Lybrook Gatlup Pool	NM 117564	USA	10/13/2013	Completed	350			950	1215	
Lybrook E28-2306 03H	30-043-21142	E-SWNW-29-23N-6W	N/A	12c	S2N2 Sec 30 23N 6W (160.91 acres)	Lybrook Gatlup Pool	NM 117564	USA	10/15/2013	Completed	350			950	1215	
Venado Canyon Unit 201H (aka Lybrook P12-2206 01H)	30-043-21271	P-SESE-12-22N-6W	Venado Canyon Unit # NMNM 135387X	13	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 Gatlup Pool	NM 109390 & NM 109385 & NM 109389 & Fee Lease	USA/ Fee	N/A	Not Drilled	350	700	2%	950	1215	
Lybrook M28-2306 01H	30-043-21178	M-SWSW-28-23N-6W	N/A	14a	W2W2 Sec 33 23N 6W (160 acres)	Lybrook Gatlup Pool	NM 112953	USA	09/10/2014	Completed	350	700	2%	950	1215	
Lybrook M28-2306 02H	30-043-21175	M-SWSW-28-23N-6W	N/A			Lybrook Gatlup Pool	NM 112953	USA	09/18/2014	Completed	350			950	1215	

Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment

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	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (McF/Day)	Projected Lease Gas Rate (McF/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st -6 Months)	Projected Gas Heating Value (Btu/scf) after -1st 6 months)	Comments
Lybrook H36A-2307 01H	30-043-21183	H-SENE-36-23N-7W	N/A	15	N2N2 Sec 36 T23N R7W (160 acres)	Lybrook Gallup Pool	LG 3925	NM State	06/17/2014	Completed	350	350	1%	950	1215	Current Status: 15 wells from this Amendment were drilled, completed, and are currently producing. 1 well was a pressure observation well and will not be completed. Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.
Lybrook M27-2306 02H	30-043-21153	M-SWSW-27-23N-6W	N/A	16	S2 Sec 28 T23N R6W (320.00 acres)	Counsellors Gallup-Dakota	NM 112953	USA	02/22/2014	Completed	350	1400	5%	950	1215	
Lybrook M27-2306 04H	30-043-21151	M-SWSW-27-23N-6W	N/A						03/01/2014	Completed	350			950	1215	
Lybrook E27-2306 01H	30-043-21152	E-SWNW-27-23N-6W	N/A	01/27/2014	Completed	350			950	1215						
Lybrook E27-2306 03H	30-043-21150	E-SWNW-27-23N-6W	N/A	01/27/2014	Completed	350			950	1215						
Lybrook M28-2306 03H	30-043-21194	M-SWSW-28-23N-6W	N/A	14b	E2W2 Sec 33 T23N 6W (160 acres)	Lybrook Gallup Pool		USA	09/21/2014	Completed	350		950	1215		
Lybrook P28-2306 01H	30-043-21176	P-SESE-28-23N-6W	NMNM 133062	18a	W2E2 Sec 33 T23N R6W & W2NE Sec 4 T22N R6W (240.81 acres)	Lybrook Gallup Pool	NM 112953, NM 109386	USA	09/14/2014	Completed	350	700	2%	950	1215	
Lybrook P28-2306 02H	30-043-21177	P-SESE-28-23N-6W	NMNM 133060	18b	E2E2 Sec 33 T23N R6W & E2NE Sec 4 T22N R6W (240.83 acres)	Lybrook Gallup Pool			09/20/2014	Completed	350		950	1215		
Lybrook K32-2306 01 (Vertical Well)	30-043-21192	K-NESW-32-23N-6W	PENDING	19	NESW Sec 32 T23N R6W (40.00 acres)	Lybrook Gallup Pool	V-1399	NM State	N/A	Pressure observation well. Well not be completed.	350	350	1%	950	1215	
Gallo Canyon Unit 206H (aka Gallo Canyon Unit M27-2306 01H)	30-043-21179	M-SWSW-27-23N-6W	Gallo Canyon Unit # NMNM 131017X	20	All Secs 22-28; 34-36 23N 6W (5,120 acres)	Counsellors Gallup-Dakota	NM 17009, NM 118126, V-09212	USA/ NM State	02/17/2014	Completed	350	5250	17%	950	1215	
Gallo Canyon Unit 203H (aka Gallo Canyon Unit P28-2306 01H)	30-043-21207	P-SESE-26-23N-6W							05/18/2015	Completed	350			950	1215	
Gallo Canyon Unit 204H (aka Gallo Canyon Unit P28-2306 02H)	30-043-21208	P-SESE-26-23N-6W							05/08/2015	Completed	350			950	1215	
Gallo Canyon Unit 206H (aka Gallo Canyon Unit M28-2306 01H)	30-043-21205	M-SWSW-26-23N-6W							05/25/2015	Completed	350			950	1215	
Gallo Canyon Unit 207H (aka Gallo Canyon Unit Q27-2306 01H)	30-043-21206	O-SWSE-27-23N-6W							06/06/2015	Completed	350			950	1215	
Gallo Canyon Unit 206H (aka Gallo Canyon Unit Q27-2306 02H)	30-043-21208	O-SWSE-27-23N-6W							06/01/2015	Completed	350			950	1215	
Gallo Canyon Unit 301H (aka Gallo Canyon Unit H33-2306 01H)	30-043-21233	H-SENE-33-23N-6W							06/10/2015	Completed	350			950	1215	
Gallo Canyon Unit 106H (aka Gallo Canyon Unit D22-2306 03H and Gallo Canyon Unit D22-2306 01H)	30-043-21266	D-NWNW-22-23N-6W							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 105H (aka Gallo Canyon Unit M23-2306 02H and Gallo Canyon Unit M23-2306 01H)	30-043-21265	M-SWSW-23-23N-6W							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 103H (aka Gallo Canyon Unit N23-2306 01H)	30-043-21283	N-SESW-23-23N-6W							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 101H (aka Gallo Canyon Unit M24-2306 01H)	30-043-21259	M-SWSW-24-23N-6W							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 102H (aka Gallo Canyon Unit M24-2306 02H)	30-043-21260	M-SWSW-24-23N-6W							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 201H (aka Gallo Canyon Unit L25-2306 01H)	30-043-21255	L-NWSW-25-23N-6W							N/A	Not Drilled	350			950	1215	

**Attachment No. 1**  
**Encana Oil Gas (USA) Inc.**  
**Lybrook Gathering System, 5th Amendment**

Amendment to Lybrook Trunk #1 Gathering System Dated May 15, 2014 - PLC 373-D and OLN 82-C																
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (McF/Day)	Projected Lease Gas Rate (McF/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/Scf) (through 1st -6 Months)	Projected Gas Heating Value (Btu/Scf) after -1st 6 months)	Comments
Gallo Canyon Unit 205H (aka Gallo Canyon Unit E26-2306 03H and Gallo Canyon Unit E26-2306 01H)	30-043-21261	E-SWNNW-26-23N-6W	Gallo Canyon Unit # NMNM 131017X	20	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	NM 17009, NM 116128, V-08212	USA / NM State	N/A	Not Drilled	350	350	1%	950	1215	
Venado Canyon Unit 102H (aka Lybrook P03-2206 01H)	30-043-21221	P-SESE-3-22N-6W	Venado Canyon Unit # NMNM 136367X	13	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	NM 117562 & NM 106390 & NM 106385 & NM109389 & Fee Lease	USA & Fee	01/16/2015	Completed	350	700	2%	950	1215	
Venado Canyon Unit 103H (aka Lybrook P03-2206 02H)	30-043-21220	P-SESE-3-22N-6W							01/23/2015	Completed	350			950	1215	
Lybrook COM D22-2306 01H	30-043-21252	D-NWNNW-22-23N-6W	PENDING	21	N2 Sec 21 23N 6W (320 acres)	Counselors Gallup-Dakota	NM 112953 & NM 042933 & Unknown	USA	N/A	Not Drilled	350	700	2%	950	1215	
Lybrook COM D22-2306 02H	30-043-21253	D-NWNNW-22-23N-6W							N/A	Not Drilled	350			950	1215	

Amendment to Lybrook Trunk #1 Gathering System Dated July 2, 2015																					
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (McF/Day)	Projected Lease Gas Rate (McF/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/Scf) (through 1st -6 Months)	Projected Gas Heating Value (Btu/Scf) after -1st 6 months)	Comments					
Gallo Canyon Unit 104H	30-043-21264	N-SESW-23-23N-6W	Gallo Canyon Unit # NMNM 131017X	20	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	NM 017009 / NM 116128 / V-09212	USA / NM State	N/A	Not Drilled	350	700	2%	950	1215						
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			N/A	Not Drilled	350			950	1215						
Lybrook A32-2306 02H	PENDING	A-NENE-32-23N-6W	NMNM 130514	5	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	V 1399 & NM 89021	USA / NM State	N/A	Not Drilled	350	700	2%	950	1215						
Lybrook H32-2306 02H	PENDING	H-SENE-32-23N-6W	NMNM 130513	6	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215						
Lybrook E26-2306 02H	30-043-21262	E-SWNNW-26-23N-6W	N/A	22	N2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota	NM 117564	USA	N/A	Not Drilled	350	2100	7%	950	1215	Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.65 Mcf/dpd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.					
Lybrook E26-2306 02H	PENDING	D-NWNNW-26-23N-6W	N/A	12b	N2N2 Sec 30 23N 6W (160.97 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215						
Lybrook E29-2306 04H	PENDING	E-SWNNW-29-23N-6W	N/A	12c	S2N2 Sec 30 23N 6W (160.91 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215						
Lybrook M23-2306 01H	30-043-21266	M-SWSW-23-23N-6W	N/A	24	N2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota			N/A	Not Drilled	350			950	1215						
Lybrook M26-2306 01H	30-043-21250	M-SWSW-26-23N-6W	N/A	25	S2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota			N/A	Not Drilled	350			950	1215						
Lybrook M26-2306 02H	30-043-21251	M-SWSW-26-23N-6W	N/A						N/A	Not Drilled	350			950	1215						
Lybrook I21-2306 01H	30-043-21258	I-NESE-21-23N-6W	N/A	26	S2 Sec 21 23N 6W (320 acres)	Counselors Gallup-Dakota			NM 112953	USA	N/A			Not Drilled	350		700	2%	950	1215	
Lybrook I21-2306 02H	30-043-21257	I-NESE-21-23N-6W	N/A								N/A			Not Drilled	350				950	1215	
Lybrook I32-2306 03H	PENDING	I-NESE-32-23N-6W	N/A	7a	N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool			V-1399	NM State	N/A			Not Drilled	350		700	2%	950	1215	
Lybrook I32-2306 04H	PENDING	I-NESE-32-23N-6W	N/A	7b	S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool					N/A			Not Drilled	350				950	1215	
Lybrook M31-2306 01H	PENDING	M-SWSW-31-23N-6W	N/A	8a	N2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG 3925	NM State	N/A	Not Drilled	350	700	2%	950	1215						
Lybrook M31-2306 04H	PENDING	M-SWSW-31-23N-6W	N/A	8b	S2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215						

**Attachment No. 1**  
**Encana Oil Gas (USA) Inc.**  
**Lybrook Gathering System, 5th Amendment**

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (McF/Day)	Projected Lease Gas Rate (McF/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through -1st 6 months)	Projected Gas Heating Value (Btu/scf) after -1st 6 months)	Comments		
Venado Canyon Unit 001H	PENDING	E-SW1W-1-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 002H	PENDING	E-SW1W-1-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 101H	PENDING	M-SWSW-1-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 203H	PENDING	M-SWSW-12-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 204H	PENDING	M-SWSW-12-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 205H	PENDING	L-NWSW-12-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 206H	PENDING	L-NWSW-12-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 207H	PENDING	A-NENE-11-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 403H	PENDING	C-NENW-22-22N-6W	Venado Canyon Unit # NMNM 195367X	13	S2 Sec 1, NE, S2 Sec. 10, All Sec. 11-15, N2 Sec. 22, All Sec. 23, N2 Sec 24, Z2N 6W (5260 acres)	Lybrook Gallup Pool	NM 117562 & NM 108390 & NM 109385 & NM 109389 & Fee Lease	USA & Fee		N/A	Not Drilled	350	6300	21%	950	1215	Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.	
Venado Canyon Unit 404H	PENDING	C-NENW-22-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 301H	PENDING	B-NWNE-14-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 302H	PENDING	B-NWNE-14-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 303H	PENDING	B-NWNE-14-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 304H	PENDING	B-NWNE-14-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 305H	PENDING	A-NENE-15-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 306H	PENDING	A-NENE-15-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 401H	PENDING	N-SESW-23-22N-6W								N/A	Not Drilled	350		950	1215			
Venado Canyon Unit 402H	PENDING	N-SESW-23-22N-6W								N/A	Not Drilled	350		950	1215			
<b>Amendment to Lybrook Trunk #1 Gathering System Dated June 30, 2017</b>																		
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (McF/Day)	Projected Lease Gas Rate (McF/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through -1st 6 months)	Projected Gas Heating Value (Btu/scf) after -1st 6 months)	Comments		
Que YJ State No. 1 - Dugan Production Corp. Operated	30-043-20831	B-NWNE-32-23N-6W	N/A	27	NWNE Sec 32 T23N R5W (40 acres)	Lybrook Gallup	V-1399	NM State	09/14/1989	Completed	100	100	0.33%	See attached Gas Analysis samples as Attachment 1-C				
As of 04/01/2017 cumulative production = 29,848 + 69,005 mcf gas, averaging 443 BO = 1108 mcf gas per year for the last three (3) years. Once added to the Lybrook Gathering System it is anticipated that initial average production per day will be 100 mcf, declining ~25%-40% per year for three (3) years. See attached Gas Analysis samples as Attachment 1-C.																		
Gallo Canyon Unit 210H (M27-2306)	30-043-21283	M-SWSW-27-23N-6W	Gallo Canyon Unit # NMNM 131017X	20	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counsefers Gallup-Dakota	NM 017009 / NM 118128 / V/ 09212	USA / NM State		N/A	Not Drilled	350	700	2%	950	1215	Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.	
Gallo Canyon Unit 211H (P26-2306)	30-043-21282	P-SESE-26-23N-6W								N/A	Not Drilled	350		950	1215			
<b>TOTALS</b>												<b>30,682</b>	<b>100%</b>					

Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment

The Following Wells Were Removed From The Lybrook Gathering System

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. If Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcfd/Day)	Projected Lease Gas Rate (Mcfd/Day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/acf) (through 1st -6 months)	Projected Gas Heating Value (Btu/acf) after -1st 6 months)	Comments
Remove Lybrook H12-2206 01H	N/A	M-SWSW-12-22N-6W	N/A	N/A	W2W2 Sec 13 22N 6W (161.34 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in August 9, 2013 Amendment
Remove Lybrook H12-2206 01H	N/A	N-SESW-12-22N-6W	N/A	N/A	E2W2 Sec 13 22N 6W (161.15 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook H11-2206 01H	N/A	H-SENE-11-22N-6W	N/A	N/A	W2SE Sec 11 & W2E2 Sec 14 22N 6W (240 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook H11-2206 03H	N/A	H-SENE-11-22N-6W	N/A	N/A	E2SE Sec 11 & E2E2 Sec 14 22N 6W (240 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook L13-2306 01H	N/A	L-NWSW-13-23N-6W	N/A	N/A	S2 Sec 14 T23N R6W	Coursaires Gallup-Delata	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in December 5, 2013 Amendment
Remove Lybrook L13-2306 02H	N/A	L-NWSW-13-23N-6W	N/A	N/A	S2 Sec 14 T23N R6W	Coursaires Gallup-Delata	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook IP13-2306 01H	N/A	IP-E2SE-13-23N-6W	N/A	N/A	S2 Sec 13 T23N R6W	Coursaires Gallup-Delata	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook IP13-2306 02H	N/A	IP-E2SE-13-23N-6W	N/A	N/A	S2 Sec 13 T23N R6W	Coursaires Gallup-Delata	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Gallo Canyon Unit E27-2306 02H	N/A	E-SWNW-27-23N-6W	N/A	N/A	All Secs 22-26; 34-36 23N 6W	Coursaires Gallup-Delata	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in Jan 30, 2014 Amendment
Remove Gallo Canyon Unit IP22-2306 01H	N/A	IP-E2SE-23-23N-6W	N/A	N/A	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Coursaires Gallup-Delata	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in May 15, 2014 Amendment
Remove Lybrook M02-2206 01H	N/A	N-SESW-2-22N-6W	N/A	N/A	W2W2 Sec 11 & W2NW Sec 14 22N 6W (240 acres)	Wildcat Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook M02-2206 02H	N/A	N-SESW-2-22N-6W	N/A	N/A	E2W2 Sec 11 & E2NW Sec 14 22N 6W (240 acres)	Wildcat Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. If Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcfd/Day)	Projected Lease Gas Rate (Mcfd/Day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/acf) (through 1st -6 months)	Projected Gas Heating Value (Btu/acf) after -1st 6 months)	Comments
Remove Lybrook B14-2206 01H	N/A	B-NWNE-14-22N-6W	N/A	N/A	N2HW Sec 14 & N2NE Sec 15 22N 6W (180 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in May 15, 2014 Amendment
Remove Lybrook B14-2206 02H	N/A	B-NWNE-14-22N-6W	N/A	N/A	S2NW Sec 14 & S2NE Sec 15 22N 6W (180 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook H11-2206 02H	N/A	H-SENE-11-22N-6W	N/A	N/A	W2SE Sec 11 & W2E2 Sec 14 22N 6W (240 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook H11-2206 04H	N/A	H-SENE-11-22N-6W	N/A	N/A	E2SE Sec 11 & E2E2 Sec 14 22N 6W (240 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook P12-2206 02H	N/A	P-SESE-12-22N-6W	N/A	N/A	W2E2 Sec 13 & W2NE Sec 24 22N 6W (240 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook P12-2206 04H	N/A	P-SESE-12-22N-6W	N/A	N/A	E2E2 Sec 13 & E2NE Sec 24 22N 6W (240 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook EF10-2206 01H	N/A	EF-S2NW-10-22N-6W	N/A	N/A	W2SW Sec 10 & W2W2 Sec 15 22N 6W (240 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook EF10-2206 02H	N/A	EF-S2NW-10-22N-6W	N/A	N/A	E2SW Sec 10 & E2W2 Sec 15 22N 6W (240 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook IP22-2306 01H	N/A	IP-E2SE-22-23N-6W	N/A	N/A	S2 Sec 21 23N 6W (320 acres)	Bash Mancoe Gas	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook IP22-2306 02H	N/A	IP-E2SE-22-23N-6W	N/A	N/A	S2 Sec 21 23N 6W (320 acres)	Bash Mancoe Gas	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook M12-2206 02H	N/A	M-SWSW-12-22N-6W	N/A	N/A	E2W2 Sec 13 22N 6W (180 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook G01-2206 01H	30-043-21225	G-SENE-1-22N-6W	N/A	N/A	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	NM 117562 & NM 100390 & NM 100395 & NM 100398	USA & Fee	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook G01-2206 02H	30-043-21224	G-SENE-1-22N-6W	N/A	N/A	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	NM 117562 & NM 100390 & NM 100395 & NM 100398	USA & Fee	N/A	Not Drilled	0	0	0%	0	0	



June 23, 2017

**TRANSMITTED VIA CERTIFIED MAIL**

Mr. David Catanach  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Ms. Victoria Barr, District Manager  
Bureau of Land Management  
6251 College Blvd., Suite A  
Farmington, NM 87402

Mr. Aubrey Dunn  
Oil, Gas & Minerals Division  
New Mexico State Land Office  
PO Box 1148

RECEIVED ON  
JUN 23 2017

**Re: 5th Amendment to NMOCD Order PLC-373-C/OLM-82-B  
Lybrook Trunk Line #1 Gathering System  
Sandoval County, New Mexico**

Dear Mr. Catanach, Ms. Barr, and Mr. Dunn,

Encana Oil & Gas (USA) Inc. (Encana) requests Administrative Approval to tie-in additional wells to the Lybrook Gathering System #1 (LGS), identification number of PLC-373-E/OLM-82-B. Encana requests approval to commingle natural gas for the leases and wells listed on Attachment No. 1 which reflects the eighty-two (82) wells currently approved for Pool and Lease Commingling, under PLC-373-E/OLM-82-B, as well as the three (3) additional wells Encana requests approval to tie into the LGS. Please note that one of the wells Encana is requesting to connect to the LGS, the Gus YJ- State #1, is operated by Dugan Production Corp. Moreover, Encana requests approval to claim beneficial use at the gas lift injection meter on the well pad, which is depicted for each well pad that wells are being added to, on the gas lift schematics presented in Attachment No. 6.

Encana is the Operator of eighty-two (82) wells currently approved for interconnection to the LGS. Encana is requesting to interconnect two (2) additional Gallo Canyon Unit wells as well as one (1) well operated by Dugan Production Corp. Dugan Production Corp. requested that the Gus YJ – State #1 well be interconnected to the LGS in order to reduce volumes of gas currently vented. The addition of the three (3) wells to the LGS requires surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas, as well as off-lease transportation and sale of oil and condensate. There will not be any commingling of oil or condensate in the pipeline and there is no Indian acreage associated with any of the wells to be added or currently tied into the LGS. As previously stated in the initial application, the LGS ties into Enterprise Products Partners' (Enterprise) existing pipeline in the SWNW of Section 36, T23N, R7W. The interconnection of the wells to the LGS will be known as a Central Delivery Point (CDP) gas custody transfer, as well as the Point of Royalty Measurement (PRM). In the rare event Enterprise is hydraulically unable to accommodate all of the LGS natural gas production, Encana received approval for a second interconnection point in the 3<sup>rd</sup> Amendment to the located in the E2SE of Section 34, T23N R6W which will connect to Williams Field Services (Williams) existing pipeline. As you may recall, Encana requested the second interconnection in the event of a capacity constraint in the LGS; at which point Encana will temporarily divert a portion of the LGS natural gas to the Williams CDP while simultaneously delivering the maximum amount possible to Enterprise. As noted in the 3<sup>rd</sup> Amendment, the Williams CDP option will only be utilized intermittently as needed, and in instances where both the Enterprise and Williams CDPs are utilized; the volumes and heating values from both meters will be combined before being allocated across the LGS. Lastly, for the purposes of requesting approval from the Bureau of Land Management (BLM), Encana requests commingling be reviewed and granted under Category 3 of the BLM's Instructional Memorandum (IM) dated July 3, 2013.

**Encana Oil & Gas (USA) Inc., acting by and through its authorized agent,  
Encana Services Company Ltd.**

370 17<sup>th</sup> Street, Suite 1700, Denver Colorado 80202 720.876.5331(O) 303.521.2835 (C) holly.hill@encana.com

As you are most likely aware, in order to optimally develop horizontal wells, Encana has proceeded with permitting various well pads in the section adjacent to the Project Area (PA) and/or developed acreage. Therefore, in some instances, the well pad surface hole location (SHL) is located off-lease. In these instances, Off-Lease Measurement of natural gas will occur at the well head by a well allocation meter and again at the pipeline tie-in to Enterprise's CDP and/or in the event of capacity constraints into Williams' CDP. Further, Encana intends to install a gas lift compressor on each well as depicted and described in Attachment No 6. Please note, Encana intends to submit to the BLM a sundry to formally request approval to install the gas lift on the additional two (2) wells proposed for tie-in to the LGS, which, once approved, will be forwarded on to the New Mexico Oil Conservation Division (NMOCD) for their approval. There will not be any commingling of oil or condensate with naturally produced gas in the pipeline.

If applicable, Off-Lease Measurement, Transportation and Sale of produced oil and condensate will occur at the surface location for the affected well where Encana will install the necessary number of 400-barrel oil storage tanks and water tanks. Generally, produced water will be measured using tank gauges and produced oil will be measured using a strapping table measurement by the associated vendors. Run tickets will be filled out onsite for each load of oil, which will show the tank gauge readings, oil gravity, temperature and BS&W content. Each valve on the tanks will have seals. Records will be kept that will show when seals are installed and removed. The tank seal information is also recorded on the run tickets, which will accompany the transportation of the oil.

Enclosed please find the following:

**A. Administrative Application Checklist for Pool/Lease Commingling dated June 23, 2017**

**B. State of New Mexico Oil Conservation Division Form C-107-B, Amendment to Application for Pool/Lease Commingling (PLC-373-C/OLM-82-B) dated July 2, 2015. Attached to and made part of the Application for Pool/Lease Commingling and Off-Lease Measurement please find the following:**

**Attachment No. 1:** Presents the following information:

- |  |  |
|--|--|
| 1) Wells                                   | 5) Projected gas rate for leases   |
| 2) Leases                                  | 6) Projected gas percentage in the LGS for the wells                     |
| 3) Pool information                        | 7) Projected initial gas heating value through ~1 <sup>st</sup> 6 months |
| 4) Projected gas rate for individual wells | 8) Projected gas heating value after ~1 <sup>st</sup> 6 months           |

A projected decline rate for each well is also addressed in Attachment No. 1 in the Explanation Legend.

Note, some of the wells previously approved for connection to the LGS have been renamed due to the formation of units and agency naming change requirements. Please also note that Encana has also provided a list of wells and well pads on Attachment No. 1 that are being removed from the LGS due to planning re-evaluation.

**Attachment No. 2a:** Presents a map of the LGS pipeline, depicting all forty-four (44) well pads (which represent all eighty-five (85) wells that will tie into the LGS which will then tie-in to Enterprise's CDP in the SWNW of Section 36, T23N R7W, and/or in the event of capacity constraints into William's CDP in the E2SE of Section 34, T23N R6W. Presently, forty-three (43) well pads (and eighty-two wells) have already been approved for connection to the LGS, and Encana is proposing to connect an additional well pad, namely the Dugan Production Corp. Gus YJ State #1; and two additional wells in the Gallo Canyon Unit (on existing well pads) to the LGS. The LGS pipeline is approximately 45,000-feet in length, stretching across both Bureau of Land Management (BLM) and State of New Mexico Land Office (NMSLO) surface. Encana received (BLM) approval for the Lybrook Trunk #1 Pipeline on February 22, 2013 for Federal surface and NMSLO approval on September 7, 2012 for State surface.

Each well operated by Encana will be equipped with a continuous recording gas allocation meter (or some form of approved alternative measurement). Prior to converting any gas measurement from a conventional allocation meter to an alternative measurement method, Encana will seek formal approvals. The allocation procedures,



including examples of how the allocation method would be applied for each well are presented on **Attachment No. 5**.

Moreover, Condensate and oil will be separated, stored and sold at the well head SHL, which in some instances, may be off-lease. Depending on their availability Encana will enlist the services of High Tech Tools, LLC (mailing address: PO Box 1244 Aztec, NM 87410; phone number: 505-334-2266) or Three Rivers Trucking, Inc. (mailing address: PO Box 2728, Farmington, NM 87499; phone number: 505-632-5300) to transport produced water to Basin Disposal Inc. (address: 300 Legion Road, Aztec, NM 87410; phone number: 505-334-3013). Produced water will be generally measured using tank gauges.

Encana will enlist Western Refining, to transport and purchase crude oil from the off-lease SHL to the Gallup Refinery (location: I-40, Exit 39, Jamestown, NM 87347; Route 3, Box 7, Gallup, NM 87301; phone number: 505-722-3833). Western Refining will provide a strapping table measurement for each oil tank at the facility which will be used to determine the exact volume in each tank. Run tickets will be filled out for each load of oil, onsite, which will show the tank gauge readings, oil gravity, temperature and BS&W content. Each valve on the tanks will have seals. Records will be kept and logged into an internal database that will show when seals are installed and removed. The tank seal information is also recorded on the tickets, which will accompany the transportation of the oil.

**Attachment No. 2b:** Presents New Mexico Oil Conservation Division C-102 Forms for the Gallo Canyon Unit 210H and 211H wells. Additionally, attached is a well dedication plat, renaming sundry and Change of Operator form for the Dugan Production Corp. operated Gus YJ State #1 well.

Encana is requesting to add two (2) additional wells to existing well pads; which will then eventually be added to the LGS. The Gallo Canyon Unit 210H will be added to the existing Lybrook M27-2306/Gallo Canyon Unit 209H well pad. The Gallo Canyon Unit 211H will be added to the existing Gallo Canyon Unit 203H well pad. Furthermore, Encana and Dugan Production Corp. are requesting to add the Gus YJ State #1 well to the LGS in order to reduce vented gas volumes. Encana will adhere to all Federal regulations, including the revisions to Onshore Orders 3, 4 and 5 for wells involving Federal minerals that are added to the LGS.

**Attachment No. 3:** Presents a leasehold ownership summary for all of the eighty-five (85) wells. The royalty interest is Federal and State. There is no Indian Royalty. The interest ownership reflected for each well is to the best of Encana and Dugan Production Corp.'s knowledge at this time. In the event it is determined that interest ownership differs, an updated Attachment No. 3 will be sent to affected owners, the BLM, NMSLO and the NMOCD. As required by the NMOCD all interest owners for the additional three (3) wells that Encana is proposing to tie into the LGS have been given notice of this application.

**Attachment No. 4:** Presents a copy of the notice sent to the interest owners for the wells for both Encana and Dugan Production Corp. All notice letters have been mailed certified, return receipt. Also included, is a copy of the legal notice to be published in The Daily Times, Farmington, New Mexico in the earliest publication available in order to provide public notice to any and all affected interest owners.

**Attachment No. 5:** Presents the allocation procedures for the LGS which includes an example of how the allocation method is applied. Encana proposes that the PRM be at Enterprises' CDP in the SWNW of Section 36, T23N R7W and in the instance of capacity constraints at the Williams CDP in the E2SE of Section 34, T23N R6W. For the purposes of both PRM scenarios Encana has provided allocation for single and multi-well pads that will interconnect to Enterprise only as well as an allocation procedure for single and multi-well pads that will interconnect to both the Enterprise CDP and the Williams CDP. Please also note each well proposed for connection to the LGS will be equipped with a continuous recording gas allocation meter.

**Attachment No. 6:** Presents gas lift well pad schematics for the two (2) wells that Encana is requesting to add to the LGS, as well as wellsite schematic for Dugan Production Corp.'s Gus YJ State #1 well. Dugan Production Corp. and Encana request approval to claim beneficial use at the gas lift injection meter on the well pads, which is

depicted for each well pad, on the gas lift schematics; which also depicts a list of proposed equipment. Dugan Production Corp. and Encana request the use of fuel to operate the gas lifts installed for each well.

**Attachment No. 7:** Presents Dugan Production Corp.'s executed Participation Statement requesting to add the Gus YJ State #1 well to Encana's LGS, as well as affirming Encana's allocation procedures detailed in Attachment No. 5.

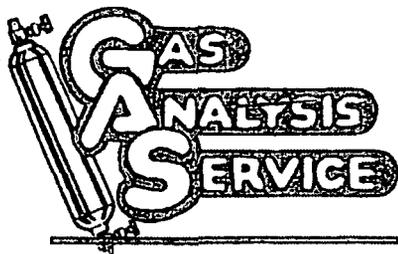
In conclusion, Encana is requesting approval to tie-in three (3) additional wells to the Lybrook Trunk #1 Gathering System (LGS). Where applicable, Encana requests Administrative Approval for Off-Lease Measurement and Sale of natural produced gas and Administrative Approval for Off-Lease Measurement, Sale and Transportation of produced crude oil and condensate. Lastly, as requested in the initial application we are requesting that the NMOCD order issued for amendments as to additional wells being added to the LGS, also include a provision that for any future additions to the LGS, only the interest owners in the wells being added need to be notified.

Please feel free to contact me directly at 720-876-5331 with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly Hill". The signature is written in a cursive, flowing style.

Holly Hill –Senior Regulatory Analyst  
ENCANA OIL & GAS (USA) INC.,  
acting by and through its authorized agent,  
Encana Services Company Ltd.



Attachment No. 1-C  
 Encana Oil & Gas (USA) Inc.  
 Lybrook Gathering System, 5<sup>th</sup>  
 Amendment

30 AFTON PLACE  
 RRMINGTON, N.M. 87401  
 (505) 325-6622

ANALYSIS NO. YP240002  
 CUST. NO. 92000 - 10005

**WELL/LEASE INFORMATION**

CUSTOMER NAME	YATES PETROLEUM CORPORATION	SOURCE	N/A
WELL NAME	GAS "YJ" ST #1	PRESSURE	34 PSIG
COUNTY/ STATE		SAMPLE TEMP	DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	1/14/04
FORMATION		SAMPLED BY	B. ARMENTA
CUST.STN.NO.		FOREMAN/VENGR.	

REMARKS

**ANALYSIS**

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	1.068	0.0000	0.00	0.0103
CO2	0.329	0.0000	0.00	0.0050
METHANE	69.886	0.0000	707.46	0.3871
ETHANE	12.714	3.3983	225.52	0.1820
PROPANE	8.738	2.4059	220.37	0.1331
I-BUTANE	1.082	0.3539	35.27	0.0217
N-BUTANE	2.890	0.9111	94.50	0.0580
I-PENTANE	0.801	0.2931	32.12	0.0200
N-PENTANE	0.838	0.3035	33.67	0.0209
HEXANE PLUS	1.654	0.7275	85.03	0.0532
<b>TOTAL</b>	<b>100.000</b>	<b>8.3934</b>	<b>1,433.94</b>	<b>0.8413</b>

\* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

\*\* @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z) 1.0051  
 BTU/CU.FT (DRY) CORRECTED FOR (1/Z) 1,442.2  
 BTU/CU.FT (WET) CORRECTED FOR (1/Z) 1,420.4  
 REAL SPECIFIC GRAVITY 0.8461

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 1,434.3  
 DRY BTU @ 14.696 1,438.8  
 DRY BTU @ 14.730 1,442.2  
 DRY BTU @ 15.025 1,471.0

CYLINDER # 041  
 CYLINDER PRESSURE 34 PSIG  
 DATE RUN 1/22/04  
 ANALYSIS RUN BY JANA CARANTA



2030 Afton Place  
 Farmington, NM 87401  
 (505) 325-6622

Analysis No: DU160248  
 Cust No: 23000-22265

**Well/Lease Information**

Customer Name: DUGAN PRODUCTION CORP.  
 Well Name: GUS #1  
 County/State: SANDAVOL NM  
 Location:  
 Field:  
 Formation:  
 Cust. Stn. No.:

Source:  
 Pressure: 50 PSIG  
 Sample Temp: DEG. F  
 Well Flowing: Y  
 Date Sampled: 02/16/2016  
 Sampled By: M. BRIMHALL  
 Foreman/Engr.:

Remarks: SEPARATOR GAS  
 NITROGEN CHECK

**Analysis**

Component:	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	5.378	0.5940	0.00	0.0520
CO2	0.361	0.0620	0.00	0.0055
Methane	67.779	11.5360	684.56	0.3754
Ethane	13.389	3.5950	236.95	0.1390
Propane	8.252	2.2820	207.63	0.1256
Iso-Butane	0.962	0.3160	31.28	0.0193
N-Butane	2.291	0.7250	74.74	0.0460
I-Pentane	0.518	0.1900	20.72	0.0129
N-Pentane	0.484	0.1760	19.40	0.0121
Hexane Plus	0.586	0.2620	30.89	0.0194
<b>Total</b>	<b>100.000</b>	<b>19.7380</b>	<b>1306.18</b>	<b>0.8072</b>

\* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

\*\*@ 14.730 PSIA & 60 DEG. F.

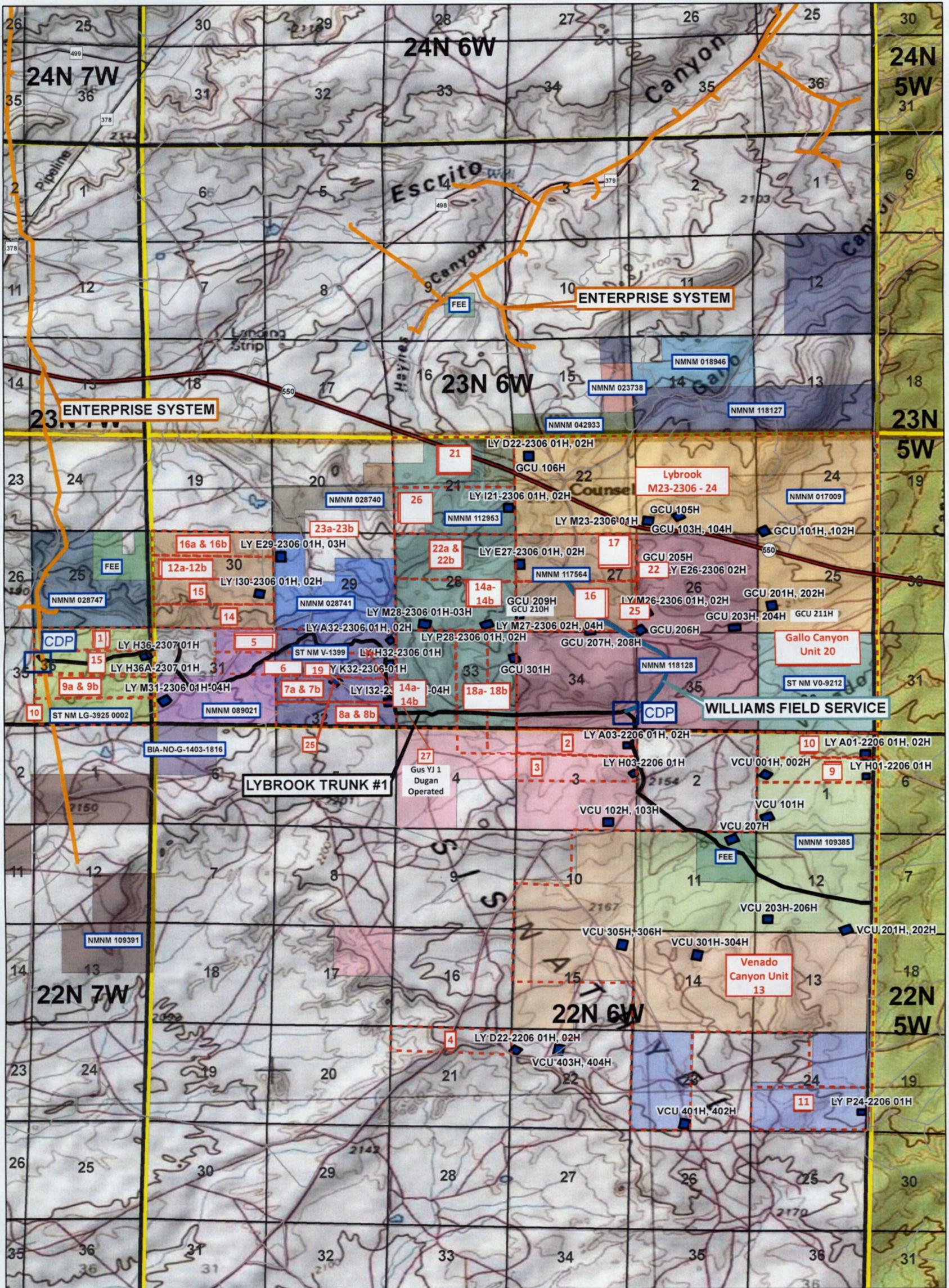
COMPRESSIBILITY FACTOR (1/Z): 1.0042  
 BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 1314.7  
 BTU/CU.FT (WET) CORRECTED FOR (1/Z): 1291.8  
 REAL SPECIFIC GRAVITY: 0.8103

GPM, BTU, and SPG calculations as shown above are based on current GPA factors.

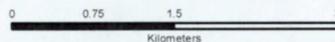
DRY BTU @ 14.650: 1307.6  
 DRY BTU @ 14.696: 1311.7  
 DRY BTU @ 14.730: 1314.7  
 DRY BTU @ 15.025: 1341.0

CYLINDER #: 4208  
 CYLINDER PRESSURE: 50 PSIG  
 DATE RUN: 2/17/16 10:09 AM  
 ANALYSIS RUN BY: Shyann Ellledge

Attachment No. 2a  
 Encana Oil & Gas (USA) Inc.  
 Lybrook Gathering System, 5<sup>th</sup> Amendment



1:60,000



NAD 1983 UTM Zone 10N



Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment

Initial Application for Lybrook Trunk # 1 Gathering System - PLC-373																
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization or Unit No. if Applicable	Dedicated Area No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st -6 Months)	Projected Gas Heating Value (Btu/scf after ~1st 6 months)	Comments
Lybrook H36-2307 01H	30-043-21117	H-SENE-36-23N-7W	N/A	1	S2N2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG 3925	NM State	03/10/2012	Completed	350	350	1%	950	1215	These initial 8 wells were drilled, completed, and are producing.
Lybrook A03-2206 01H	30-043-21130	A-NENE-3-22N-6W	N/A	2	N2N2 Sec 3 22N 6W (163.08 acres)	Lybrook Gallup Pool	NM 109386	USA	03/10/2012	Completed	1162	1572	5%	950	1215	
Lybrook H03-2206 01H	30-043-21123	H-SENE-3-22N-6W	N/A	3	S2N2 Sec 3 22N 6W (160 acres)	Lybrook Gallup Pool			05/14/2013	Completed	410			950	1215	
Lybrook D22-2206 01H	30-043-21131	D-NWNW-22-22N-6W	N/A	4	N2N2 Sec 21 22N 6W (160 acres)	Wildcat Gallup Pool	NM 109389	USA	11/17/2012	Completed	410	410	1%	950	1215	
Lybrook A32-2306 01H	30-043-21127	A-NENE-32-23N-6W	NMNM 130514	5	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	V 1399 & NM 89021	USA & NM State	06/09/2013	Completed	350	700	2%	950	1215	
Lybrook H32-2306 01H	30-043-21126	H-SENE-32-23N-6W	NMNM 130513	6	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool			07/02/2013	Completed	350			950	1215	
Lybrook I32-2306 01H	30-043-21129	I-NESE-32-23N-6W	N/A	7a	N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	V 1399	NM State	05/20/2013	Completed	350	700	2%	950	1215	
Lybrook I32-2306 02H	30-043-21125	I-NESE-32-23N-6W	N/A	7b	S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool			06/09/2013	Completed	350			950	1215	
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	Communitization No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st -6 Months)	Projected Gas Heating Value (Btu/scf after ~1st 6 months)	Comments
Lybrook M31-2306 02H	30-043-21146	M-SWSW-31-23N-6W	N/A	8a	N2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG 3925	NM State	09/17/2013	Completed	350	700	2%	950	1215	Current Status: 9 wells from this Amendment were drilled, completed, and are currently producing. Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfpd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.
Lybrook M31-2306 03H	30-043-21145	M-SWSW-31-23N-6W	N/A	8b	S2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool		NM State	09/22/2013	Completed	350			950	1215	
Lybrook H01-2206 01H	30-043-21122	H-SENE-1-22N-6W	N/A	9	S2N2 Sec 1 22N 6W (160 acres)	Lybrook Gallup Pool	NM 109385	USA	03/17/2014	Completed	350	700	2%	950	1215	
Lybrook A01-2206 01H	30-043-21137	A-NENE-1-22N-6W	N/A	10	N2N2 Sec 1 22N 6W (161.4 acres)	Lybrook Gallup Pool		USA	03/10/2014	Completed	350			950	1215	
Lybrook P24-2206 01H	30-043-21124	P-SESE-24-22N-6W	N/A	11	S2S2 Sec 24 22N 6W (160 acres)	Wildcat Gallup Pool	NM 109390	USA	05/12/2014	Completed	350	350	1%	950	1215	
Lybrook I30-2306 02H (fka Lybrook D32-2306 01H, Lybrook L29-2306 01H)	30-043-21181	I-NESE-30-23N-6W	N/A	12a	S2S2 Sec 30 23N 6W (160.79 acres)	Lybrook Gallup Pool & Basin Mancos Gas Pool	NM 117564	USA	N/A	Not Drilled	350	1400	5%	950	1215	
Lybrook I30-2306 01H (fka Lybrook M29-2306 01H)	30-043-21180	I-NESE-30-23N-6W	N/A	12b	N2S2 Sec 30 23N 6W (160.85 acres)	Lybrook Gallup Pool		USA	N/A	Not Drilled	350			950	1215	
Lybrook E29-2306 01H	30-043-21141	D-NWNW-29-23N-6W	N/A	12c	S2N2 Sec 30 23N 6W (160.91 acres)	Lybrook Gallup Pool		USA	10/13/2013	Completed	350			950	1215	
Lybrook E29-2306 03H	30-043-21142	E-SWNW-29-23N-6W	N/A			USA		10/15/2013	Completed	350	950			1215		
Venado Canyon Unit 201H (fka Lybrook P12-2206 01H)	30-043-21271	P-SESE-12-22N-6W	Venado Canyon Unit # NMNM 135367X	13	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	NM 117562 & NM 109390 & NM 109385 & NM109389 & Fee Lease	USA/ Fee	N/A	Not Drilled	350	700	2%	950	1215	
Venado Canyon Unit 202H (fka Lybrook P12-2206 03H)	30-043-21272	P-SESE-12-22N-6W						USA/ Fee	N/A	Not Drilled	350	700	2%	950	1215	
Lybrook M28-2306 01H	30-043-21178	M-SWSW-28-23N-6W	N/A	14a	W2W2 Sec 33 23N 6W (160 acres)	Lybrook Gallup Pool	NM 112953	USA	09/10/2014	Completed	350	700	2%	950	1215	
Lybrook M28-2306 02H	30-043-21175	M-SWSW-28-23N-6W	N/A					USA	09/16/2014	Completed	350			950	1215	

Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment

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	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st ~6 Months)	Projected Gas Heating Value (Btu/scf after ~1st 6 months)	Comments
Lybrook H36A-2307 01H	30-043-21183	H-SENE-36-23N-7W	N/A	15	N2N2 Sec 36 T23N R7W (160 acres)	Lybrook Gallup Pool	LG 3925	NM State	06/17/2014	Completed	350	350	1%	950	1215	Current Status: 15 wells from this Amendment were drilled, completed, and are currently producing. 1 well was a pressure observation well and will not be completed. Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.
Lybrook M27-2306 02H	30-043-21153	M-SWSW-27-23N-6W	N/A	16	S2 Sec 28 T23N R6W (320.00 acres)	Counselors Gallup-Dakota	NM 112953	USA	02/22/2014	Completed	350	1400	5%	950	1215	
Lybrook M27-2306 04H	30-043-21151	M-SWSW-27-23N-6W	N/A						03/01/2014	Completed	350			950	1215	
Lybrook E27-2306 01H	30-043-21152	E-SWNW-27-23N-6W	N/A	17	N2 Sec 28 T23N R6W (320.00 acres)	Counselors Gallup-Dakota			01/27/2014	Completed	350			950	1215	
Lybrook E27-2306 03H	30-043-21150	E-SWNW-27-23N-6W	N/A						01/27/2014	Completed	350			950	1215	
Lybrook M28-2306 03H	30-043-21194	M-SWSW-28-23N-6W	N/A	14b	E2W2 Sec 33 23N 6W (160 acres)	Lybrook Gallup Pool		USA	09/21/2014	Completed	350			950	1215	
Lybrook P28-2306 01H	30-043-21176	P-SESE-28-23N-6W	NMNM 133062	18a	W2E2 Sec 33 T23N R6W & W2NE Sec 4 T22N R6W (240.81 acres)	Lybrook Gallup Pool	NM 112953, NM 109386	USA	09/14/2014	Completed	350	700	2%	950	1215	
Lybrook P28-2306 02H	30-043-21177	P-SESE-28-23N-6W	NMNM 133060	18b	E2E2 Sec 33 T23N R6W & E2NE Sec 4 T22N R6W (240.83 acres)	Lybrook Gallup Pool			09/20/2014	Completed	350			950	1215	
Lybrook K32-2306 01 (Vertical Well)	30-043-21192	K-NESW-32-23N-6W	PENDING	19	NESW Sec 32 T23N R6W (40.00 acres)	Lybrook Gallup Pool	V-1399	NM State	N/A	Pressure observation well. Will not be completed.	350	350	1%	950	1215	
Gallo Canyon Unit 209H (fka Gallo Canyon Unit M27-2306 01H)	30-043-21179	M-SWSW-27-23N-6W	Gallo Canyon Unit # NMNM 131017X	20	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	NM 17009, NM 118128, V-09212	USA/ NM State	02/17/2014	Completed	350	5250	17%	950	1215	
Gallo Canyon Unit 203H (fka Gallo Canyon Unit P26-2306 01H)	30-043-21207	P-SESE-26-23N-6W							05/19/2015	Completed	350			950	1215	
Gallo Canyon Unit 204H (fka Gallo Canyon Unit P26-2306 02H)	30-043-21209	P-SESE-26-23N-6W							05/09/2015	Completed	350			950	1215	
Gallo Canyon Unit 206H (fka Gallo Canyon Unit M26-2306 01H)	30-043-21205	M-SWSW-26-23N-6W							05/25/2015	Completed	350			950	1215	
Gallo Canyon Unit 207H (fka Gallo Canyon Unit O27-2306 01H)	30-043-21206	O-SWSE-27-23N-6W							06/06/2015	Completed	350			950	1215	
Gallo Canyon Unit 208H (fka Gallo Canyon Unit O27-2306 02H)	30-043-21208	O-SWSE-27-23N-6W							06/01/2015	Completed	350			950	1215	
Gallo Canyon Unit 301H (fka Gallo Canyon Unit H33-2306 01H)	30-043-21233	H-SENE-33-23N-6W							06/10/2015	Completed	350			950	1215	
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							N/A	Not Drilled	350			950	1215	
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							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 103H (fka Gallo Canyon Unit N23-2306 01H)	30-043-21263	N-SESW-23-23N-6W							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 101H (fka Gallo Canyon Unit M24-2306 01H)	30-043-21259	M-SWSW-24-23N-6W							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 102H (fka Gallo Canyon Unit M24-2306 02H)	30-043-21260	M-SWSW-24-23N-6W							N/A	Not Drilled	350			950	1215	
Gallo Canyon Unit 201H (fka Gallo Canyon Unit L25-2306 01H)	30-043-21255	L-NWSW-25-23N-6W							N/A	Not Drilled	350			950	1215	

**Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

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	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st ~6 Months)	Projected Gas Heating Value (Btu/scf after ~1st 6 months)	Comments
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	Gallo Canyon Unit # NMNM 131017X	20	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	NM 17009, NM 118128, V-09212	USA/ NM State	N/A	Not Drilled	350	350	1%	950	1215	
Venado Canyon Unit 102H (fka Lybrook P03-2206 01H)	30-043-21221	P-SESE-3-22N-6W	Venado Canyon Unit # NMNM 135367X	13	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	NM 117562 & NM 109390 & NM 109385 & NM109389 & Fee Lease	USA & Fee	01/16/2015	Completed	350	700	2%	950	1215	
Venado Canyon Unit 103H (fka Lybrook P03-2206 02H)	30-043-21220	P-SESE-3-22N-6W							01/23/2015	Completed	350			950	1215	
Lybrook COM D22-2306 01H	30-043-21252	D-NWNW-22-23N-6W	PENDING	21	N2 Sec 21 23N 6W (320 acres)	Counselors Gallup-Dakota	NM 112953 & NM 042933 & Unknown	USA	N/A	Not Drilled	350	700	2%	950	1215	
Lybrook COM D22-2306 02H	30-043-21253	D-NWNW-22-23N-6W							N/A	Not Drilled	350			950	1215	

Amendment to Lybrook Trunk #1 Gathering System Dated July 2, 2015																
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st ~6 Months)	Projected Gas Heating Value (Btu/scf after ~1st 6 months)	Comments
Gallo Canyon Unit 104H	30-043-21264	N-SESW-23-23N-6W	Gallo Canyon Unit # NMNM 131017X	20	All Secs 22-26; 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	NM 017009 / NM 118128 / V-09212	USA / NM State	N/A	Not Drilled	350	700	2%	950	1215	Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfpd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.
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			N/A	Not Drilled	350			950	1215	
Lybrook A32-2306 02H	PENDING	A-NENE-32-23N-6W	NMNM 130514	5	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	V 1399 & NM 89021	USA / NM State	N/A	Not Drilled	350	700	2%	950	1215	
Lybrook H32-2306 02H	PENDING	H-SENE-32-23N-6W	NMNM 130513	6	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215	
Lybrook E26-2306 02H	30-043-21262	E-SWNW-26-23N-6W	N/A	22	N2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota	NM 117564	USA	N/A	Not Drilled	350	2100	7%	950	1215	
Lybrook E29-2306 02H	PENDING	D-NWNW-29-23N-6W	N/A	12b	N2N2 Sec 30 23N 6W (160.97 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215	
Lybrook E29-2306 04H	PENDING	E-SWNW-29-23N-6W	N/A	12c	S2N2 Sec 30 23N 6W (160.91 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215	
Lybrook M23-2306 01H	30-043-21266	M-SWSW-23-23N-6W	N/A	24	N2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota			N/A	Not Drilled	350			950	1215	
Lybrook M26-2306 01H	30-043-21250	M-SWSW-26-23N-6W	N/A	25	S2 Sec 27 23N 6W (320 acres)	Counselors Gallup-Dakota			N/A	Not Drilled	350			950	1215	
Lybrook M26-2306 02H	30-043-21251	M-SWSW-26-23N-6W	N/A						N/A	Not Drilled	350			950	1215	
Lybrook I21-2306 01H	30-043-21258	I-NESE-21-23N-6W	N/A	26	S2 Sec 21 23N 6W (320 acres)	Counselors Gallup-Dakota	NM 112953	USA	N/A	Not Drilled	350	700	2%	950	1215	
Lybrook I21-2306 02H	30-043-21257	I-NESE-21-23N-6W	N/A						N/A	Not Drilled	350			950	1215	
Lybrook I32-2306 03H	PENDING	I-NESE-32-23N-6W	N/A	7a	N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	V-1399	NM State	N/A	Not Drilled	350	700	2%	950	1215	
Lybrook I32-2306 04H	PENDING	I-NESE-32-23N-6W	N/A	7b	S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215	
Lybrook M31-2306 01H	PENDING	M-SWSW-31-23N-6W	N/A	8a	N2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG 3925	NM State	N/A	Not Drilled	350	700	2%	950	1215	
Lybrook M31-2306 04H	PENDING	M-SWSW-31-23N-6W	N/A	8b	S2S2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool			N/A	Not Drilled	350			950	1215	

**Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st ~6 Months)	Projected Gas Heating Value (Btu/scf after ~1st 6 months)	Comments	
Venado Canyon Unit 001H	PENDING	E-SWNW-1-22N-6W							N/A	Not Drilled	350			950	1215	Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfpd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.	
Venado Canyon Unit 002H	PENDING	E-SWNW-1-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 101H	PENDING	M-SWSW-1-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 203H	PENDING	M-SWSW-12-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 204H	PENDING	M-SWSW-12-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 205H	PENDING	L-NWSW-12-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 206H	PENDING	L-NWSW-12-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 207H	PENDING	A-NENE-11-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 403H	PENDING	C-NENW-22-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 404H	PENDING	C-NENW-22-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 301H	PENDING	B-NWNE-14-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 302H	PENDING	B-NWNE-14-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 303H	PENDING	B-NWNE-14-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 304H	PENDING	B-NWNE-14-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 305H	PENDING	A-NENE-15-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 306H	PENDING	A-NENE-15-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 401H	PENDING	N-SESW-23-22N-6W							N/A	Not Drilled	350			950	1215		
Venado Canyon Unit 402H	PENDING	N-SESW-23-22N-6W							N/A	Not Drilled	350			950	1215		
<b>Amendment to Lybrook Trunk #1 Gathering System Dated June 30, 2017</b>																	
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st ~6 Months)	Projected Gas Heating Value (Btu/scf after ~1st 6 months)		Comments
Gus YJ State No. 1 - Dugan Production Corp. Operated	30-043-20831	B-NWNE-32-23N-6W	N/A	27	NWNE Sec 32 T23N R6W (40 acres)	Lybrook Gallup	V-1399	NM State	09/14/1989	Completed	100	100	0.33%	See attached Gas Analysis samples as Attachment 1-C			
Gallo Canyon Unit 210H (M27-2306)	30-043-21283	M-SWSW-27-23N-6W							N/A	Not Drilled	350			950	1215	Future wells are contingent on success of initial wells. Note: Total rate is not expected to equal 3.85 MMcfpd due to wells being drilled/completed and coming online at different times. The initial wells will naturally decline before future wells come online.	
Gallo Canyon Unit 211H (P26-2306)	30-043-21282	P-SESE-26-23N-6W							N/A	Not Drilled	350			950	1215		
											<b>TOTALS</b>	30,682	100%				

Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment

The Following Wells Were Removed From The Lybrook Gathering System																
Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st -6 Months)	Projected Gas Heating Value (Btu/scf after -1st 6 months)	Comments
Remove Lybrook M12-2206 01H	N/A	M-SWSW-12-22N-6W	N/A	N/A	W2W2 Sec 13 22N 6W (161.34 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in August 9, 2013 Amendment
Remove Lybrook N12-2206 01H	N/A	N-SESW-12-22N-6W	N/A	N/A	E2W2 Sec 13 22N 6W (161.15 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook H11-2206 01H	N/A	H-SENE-11-22N-6W	N/A	N/A	W2SE Sec 11 & W2E2 Sec 14 22N 6W (240 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook H11-2206 03H	N/A	H-SENE-11-22N-6W	N/A	N/A	E2SE Sec 11 & E2E2 Sec 14 22N 6W (240 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook L13-2306 01H	N/A	L-NWSW-13-23N-6W	N/A	N/A	S2 Sec 14 T23N R6W	Counselors Gallup-Dakota	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in December 5, 2013 Amendment
Remove Lybrook L13-2306 02H	N/A	L-NWSW-13-23N-6W	N/A	N/A	S2 Sec 14 T23N R6W	Counselors Gallup-Dakota	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook I/P13-2306 01H	N/A	I/P-E2SE-13-23N-6W	N/A	N/A	S2 Sec 13 T23N R6W	Counselors Gallup-Dakota	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook I/P13-2306 02H	N/A	I/P-E2SE-13-23N-6W	N/A	N/A	S2 Sec 13 T23N R6W	Counselors Gallup-Dakota	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Gallo Canyon Unit E27-2306 02H	N/A	E-SWNW-27-23N-6W	N/A	N/A	All Ssecs 22-26, 34-36 23N 6W	Counselors Gallup-Dakota	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in Jan 30, 2014 Amendment
Remove Gallo Canyon Unit I/P22-2306 01H	N/A	I/P-E2SE-22-23N-6W	N/A	N/A	All Secs 22-26, 34-36 23N 6W (5,120 acres)	Counselors Gallup-Dakota	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in May 15, 2014 Amendment
Remove Lybrook N02-2206 01H	N/A	N-SESW-2-22N-6W	N/A	N/A	W2W2 Sec 11 & W2NW Sec 14 22N 6W (240 acres)	Wildcat Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook N02-2206 02H	N/A	N-SESW-2-22N-6W	N/A	N/A	E2W2 Sec 11 & E2NW Sec 14 22N 6W (240 acres)	Wildcat Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization OR Unit No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st -6 Months)	Projected Gas Heating Value (Btu/scf after -1st 6 months)	Comments
Remove Lybrook B14-2206 01H	N/A	B-NWNE-14-22N-6W	N/A	N/A	N2NW Sec 14 & N2NE Sec 15 22N 6W (160 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	Removed in May 15, 2014 Amendment
Remove Lybrook B14-2206 02H	N/A	B-NWNE-14-22N-6W	N/A	N/A	S2NW Sec 14 & S2NE Sec 15 22N 6W (160 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook H11-2206 02H	N/A	H-SENE-11-22N-6W	N/A	N/A	W2SE Sec 11 & W2E2 Sec 14 22N 6W (240 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook H11-2206 04H	N/A	H-SENE-11-22N-6W	N/A	N/A	E2SE Sec 11 & E2E2 Sec 14 22N 6W (240 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook P12-2206 02H	N/A	P-SESE-12-22N-6W	N/A	N/A	W2E2 Sec 13 & W2NE Sec 24 22N 6W (240 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook P12-2206 04H	N/A	P-SESE-12-22N-6W	N/A	N/A	E2E2 Sec 13 & E2NE Sec 24 22N 6W (240 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook E/F10-2206 01H	N/A	E/F-S2NW-10-22N-6W	N/A	N/A	W2SW Sec 10 & W2W2 Sec 15 22N 6W (240 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook E/F10-2206 02H	N/A	E/F-S2NW-10-22N-6W	N/A	N/A	E2SW Sec 10 & E2W2 Sec 15 22N 6W (240 acres)	Lybrook Gallup Pool	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook I/P22-2306 01H	N/A	I/P-E2SE-22-23N-6W	N/A	N/A	S2 Sec 21 23N 6W (320 acres)	Basin Mancos Gas	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook I/P22-2306 02H	N/A	I/P-E2SE-22-23N-6W	N/A	N/A	S2 Sec 21 23N 6W (320 acres)	Basin Mancos Gas	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook M12-2206 02H	N/A	M-SWSW-12-22N-6W	N/A	N/A	E2W2 Sec 13 22N 6W (160 acres)	Lybrook Gallup	N/A	N/A	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook G01-2206 01H	30-043-21225	G-SENE-1-22N-6W	N/A	N/A	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	NM 117562 & NM 109390 & NM 109385 & NM109389 & Fee Lease	USA & Fee	N/A	Not Drilled	0	0	0%	0	0	
Remove Lybrook G01-2206 02H	30-043-21224	G-SENE-1-22N-6W	N/A	N/A	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	NM 117562 & NM 109390 & NM 109385 & NM109389 & Fee Lease	USA & Fee	N/A	Not Drilled	0	0	0%	0	0	

Attachment No. 1  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment

EXPLANATION LEGEND

To date, Encana has 22 horizontal wells producing from the Lybrook Gallup Pool, Dugan Production Corp. has 1 vertical well producing from the Lybrook Gallup Pool. Additionally, Encana has 1 horizontal well producing from the Wildcat Gallup Pool, and 1 horizontal wells producing from the Counselors Gallup-Dakota Pool. Encana has one (1) pressure observation well. All the producing horizontal wells were targeted and completed in a correlative interval within the Mancos Formation. Completion design was very similar for all completed horizontal wells. Initial flowback and hydrocarbon analysis results show very similar BTU heating content (see \* below) for all developed horizontal wells.

Projected decline rates for all Encana operated wells listed above: Di/b:75%/1.8.

\*BTU value is lower over the 1st ~6 months due to pumping nitrogen while completing the well. Nitrogen introduced while completing decreases over time as the well is produced.

**Attachment No. 2a**  
**Encana Oil and Gas (USA) Inc.**  
**Lybrook Gathering System, 5th Amendment**

<b>Complete List of Wells Dedicated to the Lybrook Trunk #1 Gathering System</b>			
<b>Well Pad</b>	<b>Well</b>	<b>Dedicated Area No.</b>	<b>Lease(s)</b>
Lybrook H36-2307 01H	Lybrook H36-2307 01H	1	LG 3925
Lybrook A03-2206	Lybrook A03-2206 01H	2	NM 109386
Lybrook H03-2206	Lybrook H03-2206 01H	3	
Lybrook D22-2206	Lybrook D22-2206 01H	4	NM 109389
Lybrook A32-2306	Lybrook A32-2306 01H	5	V 1399 & NM 89021
	Lybrook A32-2306 02H		
Lybrook H32-2306	Lybrook H32-2306 01H	6	
	Lybrook H32-2306 02H		
Lybrook I32-2306	Lybrook I32-2306 01H	7a	V 1399
	Lybrook I32-2306 03H	7a	
	Lybrook I32-2306 02H	7b	
	Lybrook I32-2306 04H	7b	
Lybrook M31-2306	Lybrook M31-2306 02H	8a	LG 3925
	Lybrook M31-2306 01H	8a	
	Lybrook M31-2306 03H	8b	
	Lybrook M31-2306 04H	8b	
Lybrook H01-2206	Lybrook H01-2206 01H	9	NM 109385
Lybrook A01-2206	Lybrook A01-2206 01H	10	
Lybrook P24-2206	Lybrook P24-2206 01H	11	NM 109390
Lybrook I30-2306	Lybrook I30-2306 02H (fka Lybrook D32-2306 01H, Lybrook L29-2306 01H)	12a	NM 117564
	Lybrook I30-2306 01H (fka Lybrook M29-2306 01H)	12b	
Lybrook E29-2306	Lybrook E29-2306 01H	12c	
	Lybrook E29-2306 03H		
	Lybrook E29-2306 02H	12b	
	Lybrook E29-2306 04H	12c	

**Attachment No. 2a**  
**Encana Oil and Gas (USA) Inc.**  
**Lybrook Gathering System, 5th Amendment**

Venado Canyon Unit 201H (P12-2206)	Venado Canyon Unit 201H (fka Lybrook P12-2206 01H)	13	NM 117562 & NM 109390 & NM 109385 & NM109389 & Fee Lease
	Venado Canyon Unit 202H (fka Lybrook P12-2206 03H)		
Venado Canyon Unit 102H (P03-2206)	Venado Canyon Unit 102H (fka Lybrook P03-2206 01H)		
	Venado Canyon Unit 103H (fka Lybrook P03-2206 02H)		
Venado Canyon Unit 001H	Venado Canyon Unit 001H		
	Venado Canyon Unit 002H		
Venado Canyon Unit 101H	Venado Canyon Unit 101H		
Venado Canyon Unit 203H	Venado Canyon Unit 203H		
	Venado Canyon Unit 204H		
	Venado Canyon Unit 205H		
	Venado Canyon Unit 206H		
Venado Canyon Unit 207H	Venado Canyon Unit 207H		
Venado Canyon Unit 403H	Venado Canyon Unit 403H		
	Venado Canyon Unit 404H		
Venado Canyon Unit 301H	Venado Canyon Unit 301H		
	Venado Canyon Unit 302H		
	Venado Canyon Unit 303H		
	Venado Canyon Unit 304H		
Venado Canyon Unit 305H	Venado Canyon Unit 305H		
	Venado Canyon Unit 306H		
Venado Canyon Unit 401H	Venado Canyon Unit 401H		
	Venado Canyon Unit 402H		
Lybrook M28-2306	Lybrook M28-2306 01H	14a	NM 112953
	Lybrook M28-2306 02H	14b	
	Lybrook M28-2306 03H		
Lybrook H36A-2307	Lybrook H36A-2307 01H	15	LG 3925
Lybrook M27-2306/Gallo Canyon 209H (listed below)	Lybrook M27-2306 02H	16	NM 112953
	Lybrook M27-2306 04H		
Lybrook E27-2306	Lybrook E27-2306 01H	17	NM 112953
	Lybrook E27-2306 03H		
Lybrook P28-2306	Lybrook P28-2306 01H	18a	NM 112953, NM 109386
	Lybrook P28-2306 02H	18b	
Lybrook K32-2306	Lybrook K32-2306 01 (Vertical Well)	19	V-1399

**Attachment No. 2a**  
**Encana Oil and Gas (USA) Inc.**  
**Lybrook Gathering System, 5th Amendment**

Lybrook M27-2306/Gallo Canyon 209H (listed above)	Gallo Canyon Unit 209H (fka Gallo Canyon Unit M27-2306 01H)	20	NM 17009, NM 118128, V-09212		
	Gallo Canyon Unit 210H (M27-2306)				
Gallo Canyon Unit 203H	Gallo Canyon Unit 203H (fka Gallo Canyon Unit P26-2306 01H)				
	Gallo Canyon Unit 204H (fka Gallo Canyon Unit P26-2306 02H)				
	Gallo Canyon Unit 211H (P26-2306)				
Gallo Canyon Unit 206H	Gallo Canyon Unit 206H (fka Gallo Canyon Unit M26-2306 01H)				
Gallo Canyon Unit 207H	Gallo Canyon Unit 207H (fka Gallo Canyon Unit O27-2306 01H)				
	Gallo Canyon Unit 208H (fka Gallo Canyon Unit O27-2306 02H)				
Gallo Canyon Unit 301H	Gallo Canyon Unit 301H (fka Gallo Canyon Unit H33-2306 01H)				
Lybrook COM D22-2306/Gallo Canyon Unit 106H (see below)	Gallo Canyon Unit 106H (fka Gallo Canyon Unit D22-2306 03H and Gallo Canyon Unit D22-2306 01H)				
Lybrook M23-2306/Gallo Canyon Unit 105H (see below)	Gallo Canyon Unit 105H (fka Gallo Canyon Unit M23-2306 02H and Gallo Canyon Unit M23-2306 01H)				
Gallo Canyon Unit 103H	Gallo Canyon Unit 103H (fka Gallo Canyon Unit N23-2306 01H)				
Gallo Canyon Unit 101H	Gallo Canyon Unit 101H (fka Gallo Canyon Unit M24-2306 01H)				
	Gallo Canyon Unit 102H (fka Gallo Canyon Unit M24-2306 02H)				
Gallo Canyon Unit 201H	Gallo Canyon Unit 201H (fka Gallo Canyon Unit L25-2306 01H)				
Lybrook E26-2306/Gallo Canyon Unit 205H (see below)	Gallo Canyon Unit 205H (fka Gallo Canyon Unit E26-2306 03H and Gallo Canyon Unit E26-2306 01H)				
Gallo Canyon Unit 104H	Gallo Canyon Unit 104H				
Gallo Canyon Unit 202H	Gallo Canyon Unit 202H				
Lybrook COM D22-2306/Gallo Canyon Unit 106H (see above)	Lybrook COM D22-2306 01H			21	NM 112953 & NM 042933 & Unknown
	Lybrook COM D22-2306 02H				
Lybrook E26-2306/Gallo Canyon Unit 205H (see above)	Lybrook E26-2306 02H	22	NM 117564		
Lybrook M23-2306/Gallo Canyon Unit 105H (see above)	Lybrook M23-2306 01H	24			
Lybrook M26-2306	Lybrook M26-2306 01H	25			
	Lybrook M26-2306 02H				
Lybrook I21-2306	Lybrook I21-2306 01H	26	NM 112953		
	Lybrook I21-2306 02H				
Gus YJ State No. 1 - Dugan Production Corp. Operated	Gus YJ State No. 1	27	V-1399		

Attachment No. 2b  
Encana Oil & Gas (USA) Inc.  
Lybrook Gathering System, 5<sup>th</sup> Amendment

Form C-102  
Revised August 1, 2011

**DISTRICT I**  
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**DISTRICT IV**  
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State of New Mexico  
Energy, Minerals & Natural Resources Department

Submit one copy to appropriate  
District Office

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	13379	<sup>3</sup> Pool Name COUNSELOR GALLUP-DAKOTA
<sup>4</sup> Property Code	<sup>6</sup> Property Name GALLO CANYON UNIT	
<sup>7</sup> OGRID No. 282327	<sup>8</sup> Operator Name ENCANA OIL & GAS (USA) INC.	<sup>9</sup> Well Number 210H  <sup>9</sup> Elevation 7139'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	23N	6W		961'	SOUTH	182'	WEST	SANDOVAL

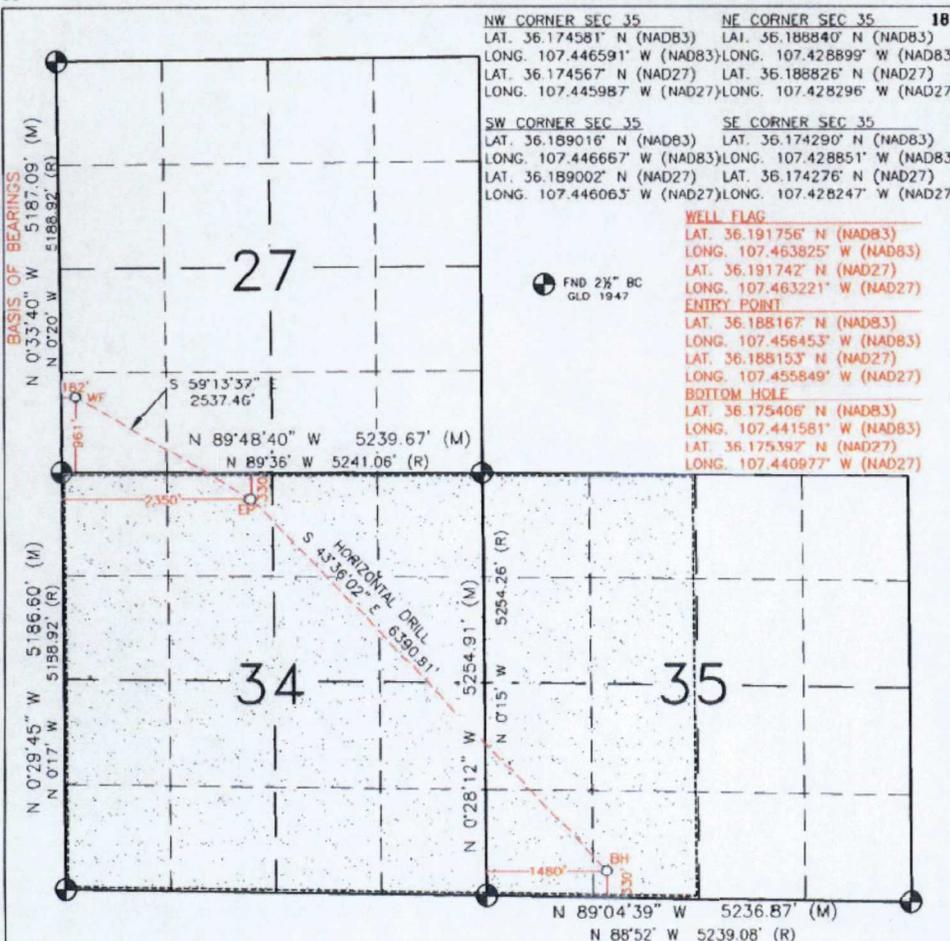
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	35	23N	6W		330'	SOUTH	1480'	WEST	SANDOVAL

<sup>12</sup> Dedicated Acres PROJECT AREA Penetrated Spacing Units: All Sec. 34 - 640 Acres; W/2 Sec. 35 - 320 Acres 5,120 Acres Sec. 22-26, 34-36 - Undivided Unit	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-13718-A - 5,120 ACRES (COMMITTED)
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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**

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**DISTRICT I**  
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**DISTRICT III**  
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**DISTRICT IV**  
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State of New Mexico  
 Energy, Minerals & Natural Resources Department

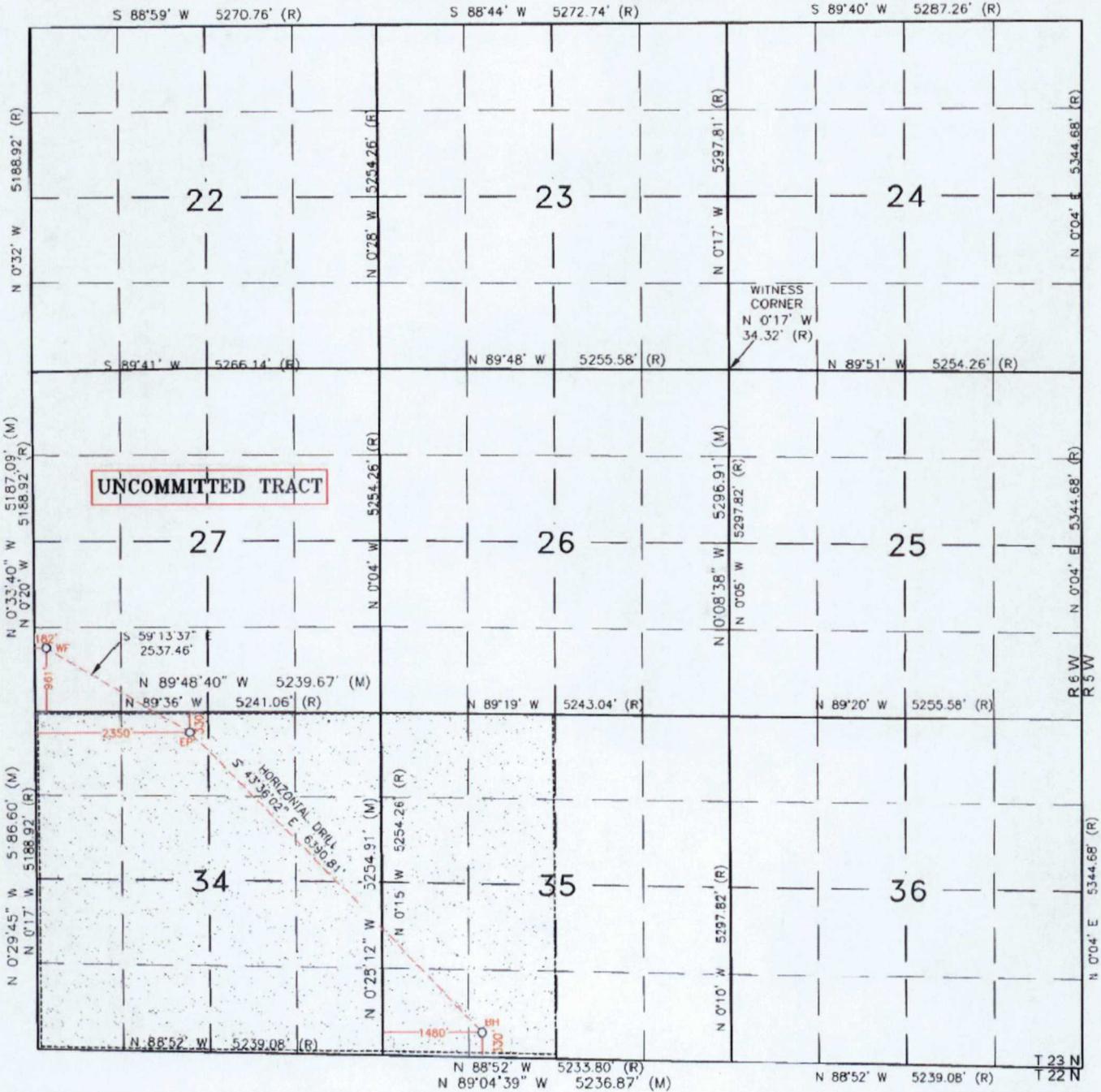
Form C-102  
 Revised August 1, 2011

Submit one copy to appropriate  
 District Office

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

AMENDED REPORT

ENCANA OIL & GAS (USA) INC.  
 GALLO CANYON UNIT #210H



WELL FLAG	ENTRY POINT	BOTTOM HOLE
LAT. 36.191756° N (NAD83)	LAT. 36.188167° N (NAD83)	LAT. 36.175406° N (NAD83)
LONG. 107.463825° W (NAD83)	LONG. 107.459453° W (NAD83)	LONG. 107.441561° W (NAD83)
LAT. 36.191742° N (NAD27)	LAT. 36.188153° N (NAD27)	LAT. 36.175392° N (NAD27)
LONG. 107.463221° W (NAD27)	LONG. 107.455849° W (NAD27)	LONG. 107.440977° W (NAD27)

Penetrated Spacing Units:  
 ALL Sec. 34 - 640 Acres;  
 W/2 Sec. 35 - 320 Acres  
 5,120 Acres Sec. 22-26, 34-36 - Undivided Unit

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DISTRICT II  
811 S. First St., Artesia, N.M. 88210  
Phone: (575) 748-1283 Fax: (575) 748-0720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410  
Phone: (505) 334-8176 Fax: (505) 334-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3400 Fax: (505) 476-3402

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 Dr.  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 13379	<sup>3</sup> Pool Name COUNSELORS GALLUP-DAKOTA	
<sup>4</sup> Property Code 313261	<sup>5</sup> Property Name GALLO CANYON UNIT		<sup>6</sup> Well Number 211H	
<sup>7</sup> OGRID No. 282327	<sup>8</sup> Operator Name ENCANA OIL & GAS (USA) INC.		<sup>9</sup> Elevation 6870'	

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	26	23N	6W		257'	SOUTH	907'	EAST	SANDOVAL

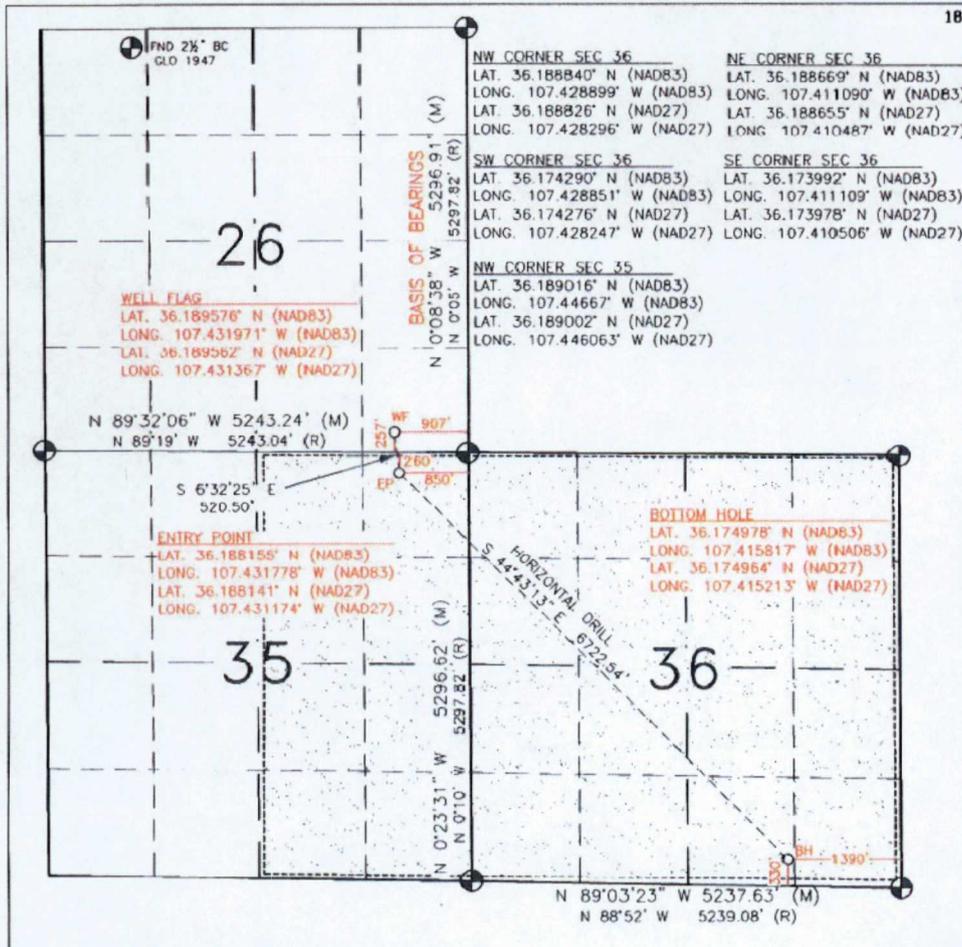
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	36	23N	6W		330'	SOUTH	1390'	EAST	SANDOVAL

<sup>12</sup> Dedicated Acres Penetrated Spacing Units: E/2 Sec. 35 - 320 Acres; All Sec. 36 - 640 Acres 5,120 Acres Sec. 22-26, 34-36 - Undivided Unit	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-13718-A - 5,120 Acres (COMMITTED)
---	-------------------------------	----------------------------------	--

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

16



**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.

*Holly Hill* 6/21/17  
Signature Date

Holly Hill

Printed Name

holly.hill@encana.com

E-mail Address

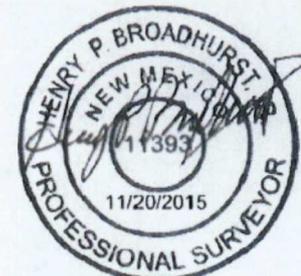
**SURVEYOR CERTIFICATION**

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.

SEPTEMBER 3, 2015

Date of Survey

Signature and Seal of Professional Surveyor:



**DISTRICT I**  
 1625 N. French Dr., Hobbs, N.M. 88240  
 Phone: (575) 393-8161 Fax: (575) 393-0720

**DISTRICT II**  
 811 S. First St., Artesia, N.M. 88210  
 Phone: (575) 748-1283 Fax: (575) 748-9720

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, N.M. 87410  
 Phone: (505) 334-8178 Fax: (505) 334-8170

**DISTRICT IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 476-3460 Fax: (505) 476-3463

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised August 1, 2011

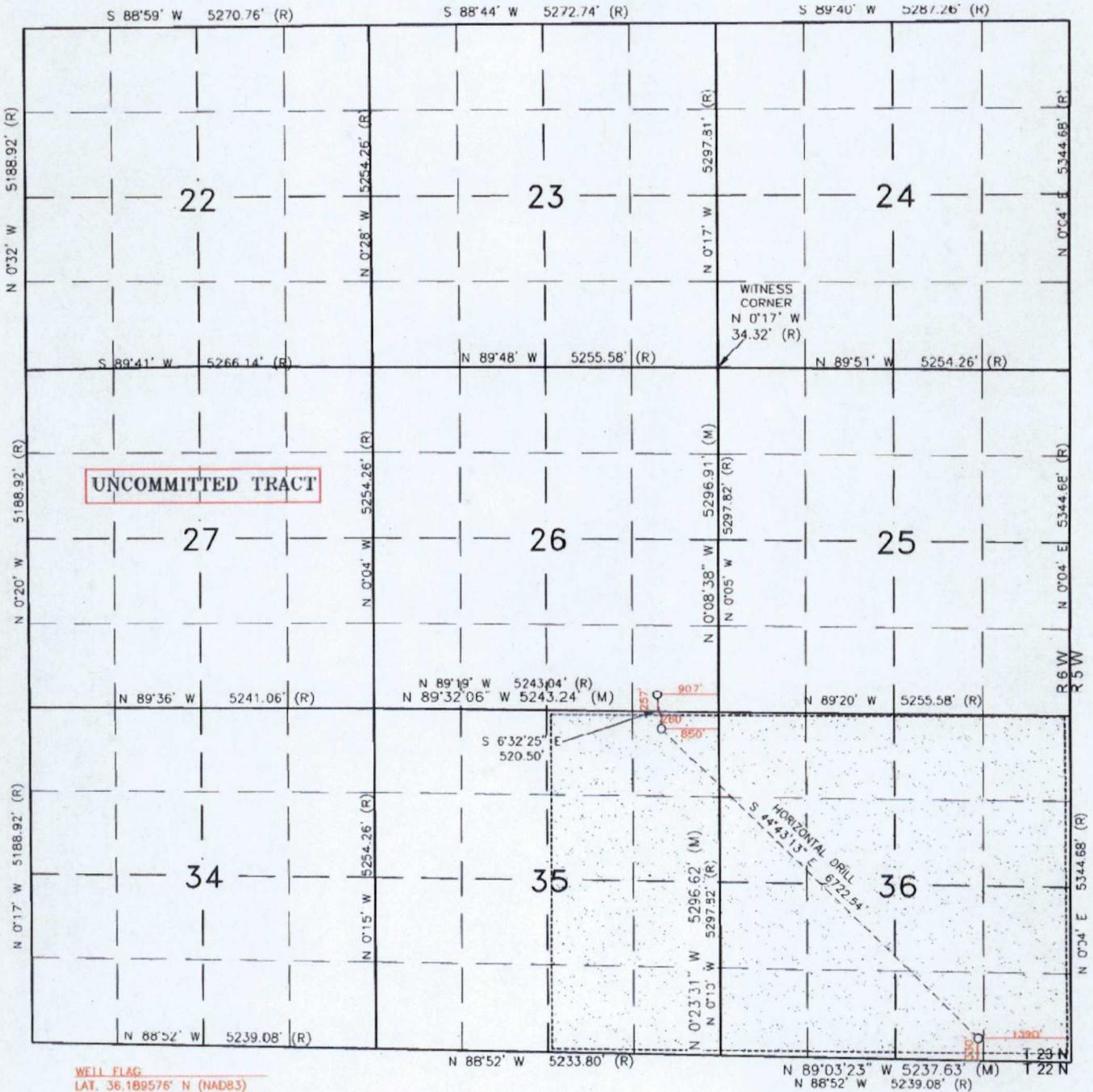
Submit one copy to appropriate  
 District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
 Santa Fe, NM 87505

AMENDED REPORT

ENCANA OIL & GAS (USA) INC.  
 GALLO CANYON UNIT #211H



**WELL FLAG**  
 LAT. 36.189576° N (NAD83)  
 LONG. 107.431971° W (NAD83)  
 LAT. 36.189582° N (NAD27)  
 LONG. 107.431367° W (NAD27)

**ENTRY POINT**  
 LAT. 36.188155° N (NAD83)  
 LONG. 107.431778° W (NAD83)  
 LAT. 36.188141° N (NAD27)  
 LONG. 107.431174° W (NAD27)

**BOTTOM HOLE**  
 LAT. 36.174978° N (NAD83)  
 LONG. 107.415817° W (NAD83)  
 LAT. 36.174964° N (NAD27)  
 LONG. 107.415213° W (NAD27)

Penetrated Spacing Units:  
 E/2 Sec. 35 - 320 Acres;  
 ALL Sec. 36 - 640 Acres  
 5,120 Acres Sec. 22-26, 34-36 - Undivided Unit

WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes 4-128  
Effective 1-1-64

All distances must be from the outer boundaries of the Section.

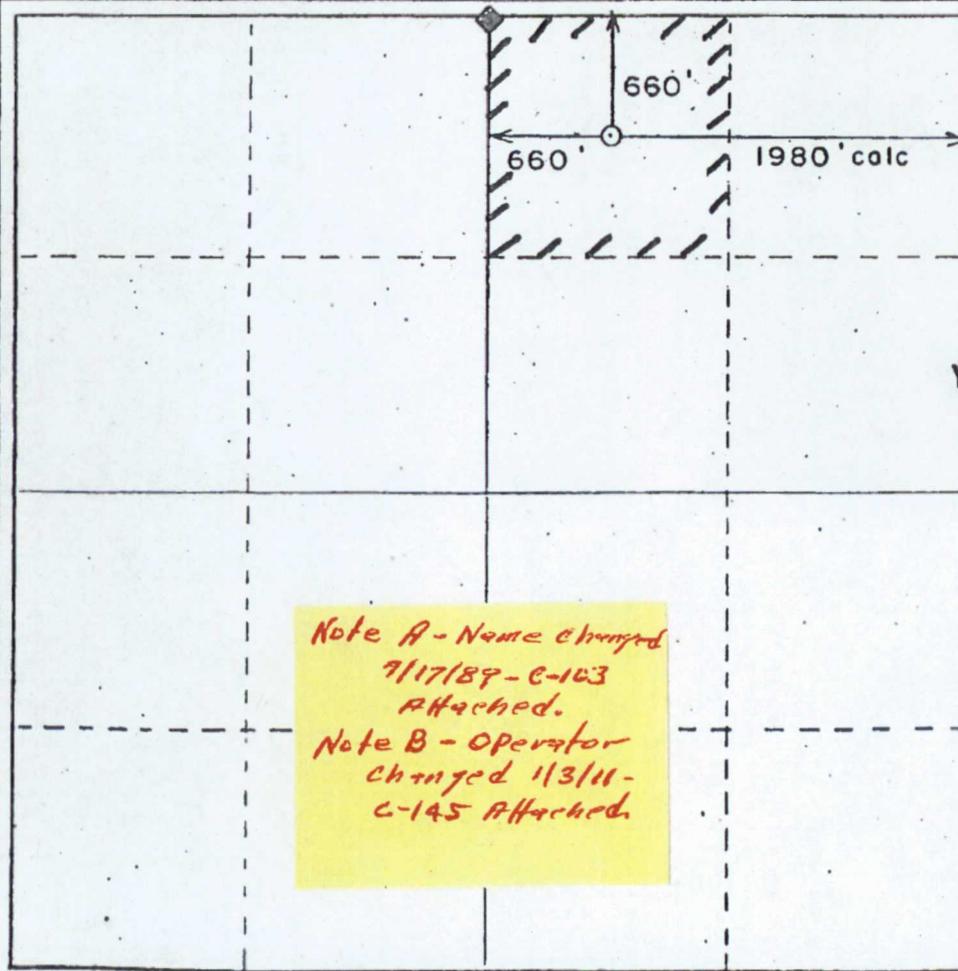
Operator <b>Dugan Production Corp (See Note B)</b> <b>Yates Petroleum</b>		Lease <b>Gus XW State</b> <b>Gus XW State (see Note A)</b>		Well No. <b>Gus XW</b> <b>State # 1 #1</b>
Unit Letter <b>B</b>	Section <b>32</b>	Township <b>23 N</b>	Range <b>6 W</b>	County <b>Sandoval</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>East</b> line.				
Ground Level Elev. <b>7245'</b>	Producing Formation <b>Gallup</b>	Pool <b>Lybrook-Gallup Ext.</b>	Dedicated Acreage <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



*Note A - Name changed  
7/17/89 - C-143  
Attached.  
Note B - Operator  
changed 11/3/11 -  
C-145 Attached*

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Brian Wood*

Name	<b>Brian Wood</b>
Position	<b>Consultant</b>
Company	<b>Yates Petroleum Corporation</b>
Date	<b>June 27, 1989</b>

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 knowledge and belief.



Date Surveyed	<b>8/89</b>
Registered Professional Engineer and Surveyor	<i>Gerald G. Huddleston</i>
Certificate No.	



Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

Note A

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-043-20831
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1399
7. Lease Name or Unit Agreement Name Gus "YJ" State
8. Well No. 1
9. Pool name or Wildcat Lybrook-Gallup Ext.
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 7,245' GL

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
OIL WELL  GAS WELL  OTHER

2. Name of Operator  
Yates Petroleum Corporation

3. Address of Operator  
105 South Fourth Street, Artesia, New Mexico 88210

4. Well Location  
Unit Letter B : 1980 Feet From The East Line and 660 Feet From The North Line  
Section 32 Township 23 North Range 6 West NMPM Sandoval County

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Name Change</u> <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Please note the name change from the ----- Gus "XW" State #1  
to the ----- Gus "YJ" State #1

RECEIVED  
JUL 9 1989  
OIL CON. DIV.  
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ken Beardemph1 TITLE Landman DATE 7-17-89

TYPE OR PRINT NAME Ken Beardemph1 TELEPHONE NO. \_\_\_\_\_

(This space for State Use)

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE \_\_\_\_\_ DATE JUL 19 1989

CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

SUPERVISOR DISTRICT # 9

**Note B**

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

State of New Mexico  
Energy, Minerals and Natural  
Resources

Form C-145  
Permit 124776

Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

**Change of Operator**

Previous Operator Information

New Operator Information

Effective Date: Effective on the date of approval by the OCD

OGRID: 25575  
Name: YATES PETROLEUM CORPORATION  
Address: 105 S 4TH ST

OGRID: 6315  
Name: DUGAN PRODUCTION CORP  
Address: PO BOX 420

City, State, Zip: ARTESIA, NM 88210

City, State, Zip: FARMINGTON, NM 87499

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, DUGAN PRODUCTION CORP certifies that it has read and understands the following synopsis of applicable rules.

Previous Operator

New Operator

Signature: James S. Brown  
Printed Name: James S. Brown

Signature: Skip Fraker  
Printed Name: Skip Fraker

Title: COO

Title: Land Manager

Date: 12/22/10 Phone: 575-748-1471

Date: 1-3-2011 Phone: 505-325-1821

**NMOCD Approval**  
Electronic Signature: Charlie Perrin, District 3  
Date: January 03, 2011

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

		<b>Lybrook H36-2307 01H</b>				<b>Lybrook A03-2206 01H</b>	
		H-SENE-36-23N-7W S2N2 Sec 36 23N 7W (160 acres) LG 3925				A-NENE-3-22N-6W N2N2 Sec 3 22N 6W (163.08 acres) NM 109386	
<b>Interest Owner</b>		<b>Lybrook Gallup Pool</b>		<b>Interest Owner</b>		<b>Lybrook Gallup Pool</b>	
<b>Working Interest</b>		<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>		<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202		50.000%	41.250%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202		50.000%	41.250%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		50.000%	43.750%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		50.000%	43.750%
<b>Royalty Interest</b>				<b>Royalty Interest</b>			
State of New Mexico, Acting by and through its Commissioner of Public Lands		0.000%	12.500%	USA c/o BLM		0.000%	12.500%
<b>Overriding Royalty Interest</b>				<b>Overriding Royalty Interest</b>			
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		0.000%	2.500%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		0.000%	2.500%
<b>TOTAL</b>		<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>		<b>100.000%</b>	<b>100.000%</b>
		<b>Lybrook H03-2206 01H</b>				<b>Lybrook D22-2206 01H</b>	
		H-SENE-3-22N-6W S2N2 Sec 3 22N 6W (160 acres) NM 109386				D-NWNW-22-22N-6W N2N2 Sec 21 22N 6W (160 acres) NM 109389	
<b>Interest Owner</b>		<b>Lybrook Gallup Pool</b>		<b>Interest Owner</b>		<b>Wildcat Gallup Pool</b>	
<b>Working Interest</b>		<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>		<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202		50.000%	41.250%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202		100.000%	80.000%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		50.000%	43.750%	<b>Royalty Interest</b>			
<b>Royalty Interest</b>				USA c/o BLM		0.000%	12.500%
USA c/o BLM		0.000%	12.500%	<b>Overriding Royalty Interest</b>			
<b>Overriding Royalty Interest</b>				Synergy Operating, LLC PO Box 5513 Farmington, NM 87449		0.000%	7.500%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		0.000%	2.500%	<b>TOTAL</b>		<b>100.000%</b>	<b>100.000%</b>
<b>TOTAL</b>		<b>100.000%</b>	<b>100.000%</b>				
		<b>Lybrook A32-2306 01H</b>				<b>Lybrook H32-2306 01H</b>	
		A-NENE-32-23N-6W N2N2 Sec 32, N2NE Sec 31 V 1399 & NM 89021				H-SENE-32-23N-6W S2N2 Sec 32, S2NE Sec 31 V 1399 & NM 89021	
<b>Interest Owner</b>		<b>Lybrook Gallup Pool</b>		<b>Interest Owner</b>		<b>Lybrook Gallup Pool</b>	
<b>Working Interest</b>		<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>		<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202		50.000%	40.528%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202		50.000%	40.528%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		50.000%	41.461%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		50.000%	41.461%
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506		0.000%	0.000%	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506		0.000%	0.000%
<b>Royalty Interest</b>				<b>Royalty Interest</b>			
State of New Mexico		0.000%	11.112%	State of New Mexico		0.000%	11.112%
USA c/o BLM		0.000%	4.166%	USA c/o BLM		0.000%	4.166%
<b>Overriding Royalty Interest</b>				<b>Overriding Royalty Interest</b>			
Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210		0.000%	1.400%	Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210		0.000%	1.400%
Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210		0.000%	0.20%	Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210		0.000%	0.20%
Myco Industries Inc. 105 South 4th Street Artesia, NM 88210		0.000%	0.20%	Myco Industries Inc. 105 South 4th Street Artesia, NM 88210		0.000%	0.20%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		0.000%	0.93%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401		0.000%	0.93%
<b>TOTAL</b>		<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>		<b>100.000%</b>	<b>100.000%</b>

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

<b>Lybrook I32-2306 01H</b>		<b>Lybrook I32-2306 02H</b>	
I-NESE-32-23N-6W N2S2 Sec 32 23N 6W (160 acres) V 1399		I-NESE-32-23N-6W S2S2 Sec 32 23N 6W (160 acres) V 1399	
<u>Interest Owner</u>	<u>Lybrook Gallup Pool</u>	<u>Interest Owner</u>	<u>Lybrook Gallup Pool</u>
<u>Working Interest</u>	<u>Gross</u> <u>Net</u>	<u>Working Interest</u>	<u>Gross</u> <u>Net</u>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%      40.167%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%      40.167%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%      40.317%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%      40.317%
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	0.000%      0.000%	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	0.000%      0.000%
<b>Royalty Interest</b> State of New Mexico	0.000%      16.667%	<b>Royalty Interest</b> State of New Mexico	0.000%      16.667%
<b>Overriding Royalty Interest</b> Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%      2.100%	<b>Overriding Royalty Interest</b> Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%      2.100%
Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%      0.30%	Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%      0.30%
Mycos Industries Inc. 105 South 4th Street Artesia, NM 88210	0.000%      0.30%	Mycos Industries Inc. 105 South 4th Street Artesia, NM 88210	0.000%      0.30%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%      0.15%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%      0.15%
<b>TOTAL</b>	<u>100.000%</u> <u>100.000%</u>	<b>TOTAL</b>	<u>100.000%</u> <u>100.000%</u>

<b>Lybrook M31-2306 02H</b>		<b>Lybrook M31-2306 03H</b>	
M-SWSW-31-23N-6W N2S2 Sec 36 23N 7W (160 acres) LG 3925		M-SWSW-31-23N-6W S2S2 Sec 36 23N 7W (160 acres) LG 3925	
<u>Interest Owners</u>	<u>Lybrook Gallup Pool</u>	<u>Interest Owners</u>	<u>Lybrook Gallup Pool</u>
<u>Working Interest</u>	<u>Gross</u> <u>Net</u>	<u>Working Interest</u>	<u>Gross</u> <u>Net</u>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%      41.250%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%      41.250%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%      41.750%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%      41.750%
<b>Royalty Interest</b> State of New Mexico	0.000%      12.500%	<b>Royalty Interest</b> State of New Mexico	0.000%      12.500%
<b>Overriding Royalty Interest</b> Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%      2.500%	<b>Overriding Royalty Interest</b> Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%      2.500%
Cynthia Sweetland 2301 Camino Rio Farmington, New Mexico 87401	0.000%      0.667%	Cynthia Sweetland 2301 Camino Rio Farmington, New Mexico 87401	0.000%      0.667%
Kurt Fagrelus 2001 Hidden Glen Farmington, New Mexico 87401	0.000%      0.667%	Kurt Fagrelus 2001 Hidden Glen Farmington, New Mexico 87401	0.000%      0.667%
John Alexander 3114 Crescent Avenue Farmington, New Mexico 87401	0.000%      0.667%	John Alexander 3114 Crescent Avenue Farmington, New Mexico 87401	0.000%      0.667%
<b>TOTAL</b>	<u>100.000%</u> <u>100.000%</u>	<b>TOTAL</b>	<u>100.000%</u> <u>100.000%</u>

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

	<b>Lybrook H01-2206 01H</b>			<b>Lybrook A01-2206 01H</b>	
	H-SENE-1-22N-6W S2N2 Sec 1 22N 6W (160 acres) NM 109385 Lybrook Gallup Pool			A-NENE-1-22N-6W N2N2 Sec 1 22N 6W (161.4 acres) NM 109385 Lybrook Gallup Pool	
<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>	<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>
<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%	41.250%	<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%	41.250%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%	43.750%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%	43.750%
<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%	<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%
<b>Overriding Royalty Interest</b> Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%	2.500%	<b>Overriding Royalty Interest</b> Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%	2.500%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>
	<b>Lybrook P24-2206 01H</b>			<b>Lybrook I30-2306 02H (fka Lybrook D32-2306</b>	
	P-SESE-24-22N-6W S2S2 Sec 24 22N 6W (160 acres) NM 109390 Wildcat Gallup Pool			I-NESE-30-23N-6W S2S2 Sec 30 23N 6W (160.79 acres) NM 117564 Lybrook Gallup Pool & Basin Mancos Gas Pool	
<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>	<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>
<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%	41.250%	<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%	43.750%	JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%
<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%	<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%
<b>Overriding Royalty Interest</b> Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%	2.500%	<b>Overriding Royalty Interest</b> James R.J. Strickler and Marie R. Strickler, Joint Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>
	<b>Lybrook I30-2306 01H (fka Lybrook M29-2306</b>			<b>Lybrook E29-2306 01H</b>	
	I-NESE-30-23N-6W N2S2 Sec 30 23N 6W (160.85 acres) NM 117564 Lybrook Gallup Pool			D-NWNW-29-23N-6W 0 NM 117564 Lybrook Gallup Pool	
<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>	<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>
<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%	<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%
JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%	JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%
<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%	<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%
<b>Overriding Royalty Interest</b> James R.J. Strickler and Marie R. Strickler, Joint Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	<b>Overriding Royalty Interest</b> James R.J. Strickler and Marie R. Strickler, Joint Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

**Lybrook E29-2306 03H**  
E-SWNW-29-23N-6W  
S2N2 Sec 30 23N 6W (160.91 acres)  
NM 117564  
Lybrook Gallup Pool

**Interest Owners**

<u>Working Interest</u>	<u>Gross</u>	<u>Net</u>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%
JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%
<u>Royalty Interest</u> USA c/o BLM	0.000%	12.500%
<u>Overriding Royalty Interest</u> James R. J. Strickler and Marie R. Strickler, Joint Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<u>100.000%</u>	<u>100.000%</u>

**Venado Canyon Unit Interest Breakdown**

<u>Working Interest</u>	<u>Gross</u>	<u>Net</u>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	71.413043%	58.274765%
Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401	21.739130%	18.964921%
Robert L. Bayless 6211 17th Street, Suite 2300 Denver, CO 80293	6.847827%	5.544404%
<u>Royalty Interest</u> United States of America - BLM	0.000000%	12.121213%
Merrion Oil & Gas 610 Reilly Avenue Farmington, New Mexico 87401	0.000000%	0.291204%
Donald J. Merrion Trust 5992 S Aberdeen Street Littleton, CO 80120	0.000000%	0.103956%
Merrion Investment Company P.O. Box 6559 Colorado Springs, CO 80934	0.000000%	0.031187%
Diana Merrion P.O. Box 7871 Shawnee Mission, Kansas 66207	0.000000%	0.103956%
Lorna R. Harvey 2948 North View Drive Grand Junction, CO 81501	0.000000%	0.075758%
<u>Overriding Royalty Interest</u> Bayless Ranches, LLC P.O. Box 168 Farmington, New Mexico 87499	0.000000%	3.181818%
Synergy Operating LLC PO Box 5513 Farmington, NM 87449	0.000000%	0.397727%
Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401	0.000000%	0.909091%
<b>TOTAL</b>	<u>100.000000%</u>	<u>100.000000%</u>

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

	<b>Lybrook M28-2306 01H</b>			<b>Lybrook M28-2306 02H</b>	
	M-SWSW-28-23N-6W W2W2 Sec 33 23N 6W (160 acres) NM 112953 Lybrook Gallup Pool			M-SWSW-28-23N-6W 0 NM 112953 0	
<b>Interest Owners</b>			<b>Interest Owners</b>		
<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%
JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%	JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%
<b>Royalty Interest</b>			<b>Royalty Interest</b>		
USA c/o BLM	0.000%	12.500%	USA c/o BLM	0.000%	12.500%
<b>Overriding Royalty Interest</b>			<b>Overriding Royalty Interest</b>		
James R.J. Strickler and Marie R. Strickler, As Joint Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	James R.J. Strickler and Marie R. Strickler, As Joint Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>
	<b>Lybrook H36A-2307 01H</b>			<b>Lybrook M27-2306 02H</b>	
	H-SENE-36-23N-7W N2N2 Sec 36 T23N R7W (160 acres) LG 3925 Lybrook Gallup Pool			M-SWSW-27-23N-6W S2 Sec 28 T23N R6W (320.00 acres) NM112953 Counselors Gallup-Dakota	
<b>Interest Owners</b>			<b>Interest Owners</b>		
<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%	41.250%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, Colorado 80202	87.500%	70.000%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%	41.750%	JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	12.500%	10.000%
<b>Royalty Interest</b>			<b>Royalty Interest</b>		
State of New Mexico	0.000%	12.500%	United States of America	0.000%	12.500%
<b>Overriding Royalty Interest</b>			<b>Overriding Royalty Interest</b>		
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%	2.500%	James R.J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
Cynthia Sweetland 2301 Camino Rio Farmington, New Mexico 87401	0.000%	0.667%	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>
Kurt Fagreluis 2001 Hidden Glen Farmington, New Mexico 87401	0.000%	0.667%			
John Alexander 3114 Crescent Avenue Farmington, New Mexico 87401	0.000%	0.667%			
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>			
	<b>Lybrook M27-2306 04H</b>			<b>Lybrook E27-2306 01H</b>	
	M-SWSW-27-23N-6W 0 NM112953 Counselors Gallup-Dakota			E-SWNW-27-23N-6W N2 Sec 28 T23N R6W (320.00 acres) NM112953 Counselors Gallup-Dakota	
<b>Interest Owners</b>			<b>Interest Owners</b>		
<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, Colorado 80202	87.500%	70.000%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, Colorado 80202	87.500%	70.000%
JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	12.500%	10.000%	JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	12.500%	10.000%
<b>Royalty Interest</b>			<b>Royalty Interest</b>		
United States of America	0.000%	12.500%	United States of America	0.000%	12.500%
<b>Overriding Royalty Interest</b>			<b>Overriding Royalty Interest</b>		
James R.J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	James R.J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

	<b>Lybrook E27-2306 03H</b>			<b>Lybrook M28-2306 03H</b>	
	E-SWNW-27-23N-6W			M-SWSW-28-23N-6W	
	0			E2W2 Sec 33 23N 6W (160 acres)	
	NM112953			NM 112953	
	Counselors Gallup-Dakota			Lybrook Gallup Pool	
<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>	<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>
<b>Working Interest</b>			<b>Working Interest</b>		
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, Colorado 80202	87.500%	70.000%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, Colorado 80202	58.137%	46.510%
JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	12.500%	10.000%	JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	8.305%	6.644%
<b>Royalty Interest</b>			Dugan Production Corp. 709 E. Murray Drive Farmington, New Mexico 87401	33.558%	29.363%
United States of America	0.000%	12.500%	<b>Royalty Interest</b>		
<b>Overriding Royalty Interest</b>			United States of America	0.000%	12.500%
James R.J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	<b>Overriding Royalty Interest</b>		
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	James R.J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	4.983%
			<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>
	<b>Lybrook P28-2306 01H</b>			<b>Lybrook P28-2306 02H</b>	
	P-SESE-28-23N-6W			P-SESE-28-23N-6W	
	W2E2 Sec 33 T23N R6W &			E2E2 Sec 33 T23N R6W &	
	NM112953, NM109386			NM112953, NM109386	
	Lybrook Gallup Pool			Lybrook Gallup Pool	
<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>	<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>
<b>Working Interest</b>			<b>Working Interest</b>		
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, Colorado 80202	58.137%	46.510%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, Colorado 80202	58.132%	46.506%
JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	8.305%	6.644%	JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	8.305%	6.644%
Dugan Production Corp. 709 E. Murray Drive Farmington, New Mexico 87401	33.558%	29.363%	Dugan Production Corp. 709 E. Murray Drive Farmington, New Mexico 87401	33.563%	29.368%
<b>Royalty Interest</b>			<b>Royalty Interest</b>		
United States of America	0.000%	12.500%	United States of America	0.000%	12.500%
<b>Overriding Royalty Interest</b>			<b>Overriding Royalty Interest</b>		
James R.J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	4.983%	James R.J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	4.983%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>
	<b>Lybrook K32-2306 01 (Vertical Well)</b>				
	K-NESW-32-23N-6W				
	NESW Sec 32 T23N R6W (40.00 acres)				
	V-1399				
	Lybrook Gallup Pool				
<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>			
<b>Working Interest</b>					
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000000%	40.166667%			
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000000%	40.316666%			
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506 *	0.000000%	0.000000%			
<b>Royalty Interest</b>					
State of New Mexico	0.000000%	16.666667%			
<b>Overriding Royalty Interest</b>					
Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000000%	2.100000%			
Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000000%	0.300000%			
Myco Industries Inc. 105 South 4th Street Artesia, NM 88210	0.000000%	0.300000%			
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000000%	0.150000%			
<b>TOTAL</b>	<b>100.000000%</b>	<b>100.000000%</b>			

Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment

<b>Gallo Canyon Unit Interest Breakdown</b>		
<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	67.1875%	56.562500%
Dugan Production Corp. 709 East Murray Drive Farmington, NM 87401	29.6875%	24.778646%
Roger McCowan d/b/a M&M & Operation Inc. 5006 Sandalwood Dr. Farmington, NM 87402	3.125%	2.578125%
<b>Royalty Interest</b>		
United States of America	0.000%	10.547%
State of New Mexico	0.000%	2.474%
<b>Overriding Royalty Interest</b>		
Dugan Production Corp. 709 East Murray Drive Farmington, NM 87401	0.000%	0.820%
Tom Dugan Family Limited Partnership PO Box 420 Farmington, New Mexico 87499	0.000%	0.03%
Marshall R. Perkins and Cynthia Perkins 11589 Ragan Way Grass Valley, CA 95949	0.000%	2.00%
<b>TOTAL</b>	100.000%	100.000%

**Lybrook COM D22-2306 01H**  
D-NWNW-22-23N-6W  
N2 Sec 21 23N 6W (320 acres)  
NM112953, Unknown  
Counselors Gallup-Dakota

**Lybrook COM D22-2306 02H**  
D-NWNW-22-23N-6W  
0  
NM112953, Unknown  
0

<b>Interest Owners</b>		<b>Interest Owners</b>		<b>Interest Owners</b>	
<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	54.687%	43.750%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	54.687%	43.750%
JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	7.813%	6.250%	JMJ Land and Minerals Company 2204 North Santiago Avenue Farmington, New Mexico 87401	7.813%	6.250%
Unknown (80 ac)	25.000%	20.000%	Unknown (80 ac)	25.000%	20.000%
Unknown (40 ac)	12.500%	10.000%	Unknown (40 ac)	12.500%	10.000%
<b>Royalty Interest</b>			<b>Royalty Interest</b>		
United States of America	0.000%	12.500%	United States of America	0.000%	12.500%
<b>Overriding Royalty Interest</b>			<b>Overriding Royalty Interest</b>		
James R. J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	James R. J. Strickler and Marie R. Strickler, joint tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	100.000%	100.000%	<b>TOTAL</b>	100.000%	100.000%

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

<b>Lybrook A32-2306 02H</b>			<b>Lybrook H32-2306 02H</b>		
A-NENE-32-23N-6W N2N2 Sec 32, N2NE Sec 31 V 1399 & NM 89021 Lybrook Gallup Pool			H-SENE-32-23N-6W S2N2 Sec 32, S2NE Sec 31 V 1399 & NM 89021 Lybrook Gallup Pool		
<u>Interest Owners</u>	<u>Gross</u>	<u>Net</u>	<u>Interest Owners</u>	<u>Gross</u>	<u>Net</u>
<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%	40.528%	<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%	40.528%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%	41.461%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%	41.461%
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	0.000%	0.000%	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	0.000%	0.000%
<b>Royalty Interest</b> State of New Mexico	0.000%	11.112%	<b>Royalty Interest</b> State of New Mexico	0.000%	11.112%
USA c/o BLM	0.000%	4.166%	USA c/o BLM	0.000%	4.166%
<b>Overriding Royalty Interest</b> Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%	1.400%	<b>Overriding Royalty Interest</b> Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%	1.400%
Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%	0.20%	Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%	0.20%
Myco Industries Inc. 105 South 4th Street Artesia, NM 88210	0.000%	0.20%	Myco Industries Inc. 105 South 4th Street Artesia, NM 88210	0.000%	0.20%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%	0.93%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%	0.93%
<b>TOTAL</b>	<u>100.000%</u>	<u>100.000%</u>	<b>TOTAL</b>	<u>100.000%</u>	<u>100.000%</u>
<b>Lybrook E26-2306 02H</b>			<b>Lybrook E29-2306 02H</b>		
E-SWNW-26-23N-6W N2 Sec 27 23N 6W (320 acres) NM 117564 Counselors Gallup-Dakota			D-NWNW-29-23N-6W N2N2 Sec 30 23N 6W (160.97 acres) NM 117564 Lybrook Gallup Pool		
<u>Interest Owners</u>	<u>Gross</u>	<u>Net</u>	<u>Interest Owners</u>	<u>Gross</u>	<u>Net</u>
<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%	<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%
JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%	JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%
<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%	<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%
<b>Overriding Royalty Interest</b> James R.J. Strickler and 2204 North Santiago Avenue 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	<b>Overriding Royalty Interest</b> James R.J. Strickler and 2204 North Santiago Avenue 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<u>100.000%</u>	<u>100.000%</u>	<b>TOTAL</b>	<u>100.000%</u>	<u>100.000%</u>
<b>Lybrook E29-2306 04H</b>			<b>Lybrook M23-2306 01H</b>		
E-SWNW-29-23N-6W S2N2 Sec 30 23N 6W (160.91 acres) NM 117564 Lybrook Gallup Pool			M-SWSW-23-23N-6W N2 Sec 27 23N 6W (320 acres) NM 117564 Counselors Gallup-Dakota		
<u>Interest Owners</u>	<u>Gross</u>	<u>Net</u>	<u>Interest Owners</u>	<u>Gross</u>	<u>Net</u>
<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%	<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%
JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%	JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%
<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%	<b>Royalty Interest</b> USA c/o BLM	0.000%	12.500%
<b>Overriding Royalty Interest</b> James R.J. Strickler and Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	<b>Overriding Royalty Interest</b> James R.J. Strickler and Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<u>100.000%</u>	<u>100.000%</u>	<b>TOTAL</b>	<u>100.000%</u>	<u>100.000%</u>

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

	<b>Lybrook M26-2306 01H</b>			<b>Lybrook M26-2306 02H</b>	
	M-SWSW-26-23N-6W			M-SWSW-26-23N-6W	
	S2 Sec 27 23N 6W (320 acres)			0	
	NM 117564			NM 117564	
	Counselors Gallup-Dakota			0	
<b>Interest Owners</b>			<b>Interest Owners</b>		
<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%
JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%	JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%
<b>Royalty Interest</b>			<b>Royalty Interest</b>		
USA c/o BLM	0.000%	12.500%	USA c/o BLM	0.000%	12.500%
<b>Overriding Royalty Interest</b>			<b>Overriding Royalty Interest</b>		
James R.J. Strickler and Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	James R.J. Strickler and Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>
	<b>Lybrook I21-2306 01H</b>			<b>Lybrook I21-2306 02H</b>	
	I-NESE-21-23N-6W			I-NESE-21-23N-6W	
	S2 Sec 21 23N 6W (320 acres)			0	
	NM 112953			NM 112953	
	Counselors Gallup-Dakota			0	
<b>Interest Owners</b>			<b>Interest Owners</b>		
<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	87.500%	70.000%
JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%	JMJ Land & Minerals Company 2204 North Santiago Avenue Farmington, NM 87401	12.500%	10.000%
<b>Royalty Interest</b>			<b>Royalty Interest</b>		
USA c/o BLM	0.000%	12.500%	USA c/o BLM	0.000%	12.500%
<b>Overriding Royalty Interest</b>			<b>Overriding Royalty Interest</b>		
James R.J. Strickler and Marie R. Strickler, As Joint Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%	James R.J. Strickler and Marie R. Strickler, As Joint Tenants 2204 North Santiago Avenue Farmington, NM 87401	0.000%	7.500%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>
	<b>Lybrook I32-2306 03H</b>			<b>Lybrook I32-2306 04H</b>	
	I-NESE-32-23N-6W			I-NESE-32-23N-6W	
	N2S2 Sec 32 23N 6W (160 acres)			S2S2 Sec 32 23N 6W (160 acres)	
	V-1399			V-1399	
	Lybrook Gallup Pool			Lybrook Gallup Pool	
<b>Interest Owners</b>			<b>Interest Owners</b>		
<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>	<b>Working Interest</b>	<b>Gross</b>	<b>Net</b>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%	40.167%	Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.000%	40.167%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%	40.317%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	50.000%	40.317%
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	0.000%	0.000%	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	0.000%	0.000%
<b>Royalty Interest</b>			<b>Royalty Interest</b>		
State of New Mexico	0.000%	16.667%	State of New Mexico	0.000%	16.667%
<b>Overriding Royalty Interest</b>			<b>Overriding Royalty Interest</b>		
Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%	2.100%	Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%	2.100%
Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%	0.30%	Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000%	0.30%
Mycos Industries Inc. 105 South 4th Street Artesia, NM 88210	0.000%	0.30%	Mycos Industries Inc. 105 South 4th Street Artesia, NM 88210	0.000%	0.30%
Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%	0.15%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.000%	0.15%
<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>	<b>TOTAL</b>	<b>100.000%</b>	<b>100.000%</b>

**Attachment No. 3  
Encana Oil Gas (USA) Inc.  
Lybrook Gathering System, 5th Amendment**

<b>Lybrook M31-2306 01H</b>			<b>Lybrook M31-2306 04H</b>		
M-SWSW-31-23N-6W			M-SWSW-31-23N-6W		
N2S2 Sec 36 23N 7W (160 acres)			S2S2 Sec 36 23N 7W (160 acres)		
LG 3925			LG 3925		
<u>Lybrook Gallup Pool</u>			<u>Lybrook Gallup Pool</u>		
<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>	<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>
<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.0000%	41.2500%	<b>Working Interest</b> Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	50.0000%	41.2500%
Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401	50.0000%	41.7500%	Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401	50.0000%	41.7500%
<b>Royalty Interest</b> United States of America - BLM	0.0000%	12.5000%	<b>Royalty Interest</b> United States of America - BLM	0.0000%	12.5000%
<b>Overriding Royalty Interest</b> Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401	0.000000%	2.5000%	<b>Overriding Royalty Interest</b> Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401	0.000000%	2.5000%
Cynthia Sweetland 2301 Camino Rio Farmington, New Mexico 87401	0.0000%	0.667%	Cynthia Sweetland 2301 Camino Rio Farmington, New Mexico 87401	0.0000%	0.667%
Kurt Fagrelus 2001 Hidden Glen Farmington, New Mexico 87401	0.0000%	0.667%	Kurt Fagrelus 2001 Hidden Glen Farmington, New Mexico 87401	0.0000%	0.667%
John Alexander 3114 Crescent Avenue Farmington, New Mexico 87401	0.0000%	0.667%	John Alexander 3114 Crescent Avenue Farmington, New Mexico 87401	0.0000%	0.667%
<b>TOTAL</b>	<b>100.000000%</b>	<b>100.000000%</b>	<b>TOTAL</b>	<b>100.000000%</b>	<b>100.000000%</b>

**Gus YJ State No. 1 - Dugan Production Corp.**

**Operated**

B-NWNE-32-23N-6W  
Remove Lybrook N02-2206 01H  
I/P-E2SE-22-23N-6W  
N/A

<b>Interest Owners</b>	<b>Gross</b>	<b>Net</b>
<b>Working Interest</b> Dugan Production Corp. 709 East Murray Drive Farmington, New Mexico 87401	90.000000%	76.050000%
WPX Energy Production Corp. One Williams Center PO Box 3102 MS 36 Tulsa, OK 74101	10.000000%	8.750000%
<b>Royalty Interest</b> State of New Mexico	0.000000%	12.500000%
<b>Overriding Royalty Interest</b> Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.000000%	0.300000%
Coleman Oil & Gas, Inc. PO Drawer 3337 Farmington, NM 87499-3337	0.000000%	1.575000%
JMJ Ventures, LLC 2204 North Santiago Avenue Farmington, NM 87401	0.000000%	0.525000%
Myco Industries Inc. 105 South 4th Street Artesia, NM 88210	0.000000%	0.300000%
	<b>100.000000%</b>	<b>100.000000%</b>

**The interest reflected for each well is to the best of Encana's knowledge at this time. In the event it is determined that interest ownership differs, an updated Attachment No. 3 will be sent to affected owners and the appropriate agencies**

Attachment No. 4  
Encana Oil & Gas (USA) Inc.  
Lybrook Gathering System, 5<sup>th</sup> Amendment

**The following interest owners were notified that the Gallo Canyon Unit 210H and 211H are being added to the Lybrook Gathering System by Encana Oil & Gas (USA) Inc.:**

**Working Interest**

Encana Oil & Gas (USA) Inc.  
370 17th Street, Suite 1700  
Denver, CO 80202

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

Roger McCowan d/b/a M&M  
& Operation Inc.  
5006 Sandalwood Dr.  
Farmington, NM 87402

**Royalty Interest**

United States of America

State of New Mexico

**Overriding Royalty Interest**

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

Tom Dugan Family Limited  
Partnership  
PO Box 420  
Farmington, New Mexico 87499

Marshall R. Perkins and Cynthia  
Perkins  
11589 Ragan Way  
Grass Valley, CA 95949

**The following interest owners were notified that the Gus YJ – State #1 is being added to the Lybrook Gathering System by Dugan Production Corp.:**

**Working Interest**

Dugan Production Corp.  
709 East Murray Drive  
Farmington, New Mexico 87401

WPX Energy Production Corp.  
One Williams Center  
PO Box 3102 MS 36  
Tulsa, OK 74101

**Royalty Interest**  
State of New Mexico

**Overriding Royalty Interest**  
Abo Petroleum Corporation  
105 South 4th Street  
Artesia, NM 88210

Coleman Oil & Gas, Inc.  
PO Drawer 3337  
Farmington, NM 87499-3337

JMJ Ventures, LLC  
2204 North Santiago Avenue  
Farmington, NM 87401

Myco Industries Inc.  
105 South 4th Street  
Artesia, NM 88210



June 21, 2017

Example Notice to Interest Owner

**Re: 5th Amendment to the Lybrook Trunk #1 Gathering System  
Application for Pool and Lease Commingling  
Add Wells to Gathering System and Off-Lease Measurement (if applicable)  
Sandoval County, New Mexico**

Dear Interest Owner:

Encana Oil & Gas (USA) Inc.'s (Encana) is seeking administrative approval from the New Mexico Oil Conservation Division (NMOCD) to add additional wells to Encana's Lybrook Trunk #1 Gathering System (LGS) which was originally approved by the NMOCD on April 29, 2013 (Administrative order PLC-373 and PLC-373-A-E/OLM-82-B). The LGS is operated by Encana, and the addition of wells will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas, as well as off-lease transportation and sale of oil and condensate. All of the additional wells proposed to tie into the LGS will be operated by Encana. Encana has applied for and received the necessary rights-of-way to install, operate and maintain the LGS.

Off-Lease Measurement and Sale of produced natural gas, as well as Off-Lease Transportation and Sale of crude oil and condensate, may also be applicable for some of the additional proposed wells tying into the LGS. If applicable, Off-Lease Measurement of natural gas will occur at the well head by a well allocation meter and again at the pipeline tie-in to either Enterprise Products Partners' central delivery point, or the second central delivery point to Williams Field Services gas custody transfer meter.

The wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the proposed wells.

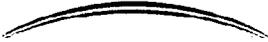
If applicable, Off-Lease Measurement, Transportation and Sale of produced oil and condensate will occur at the surface location for the affected well where Encana will install the necessary number of 400-barrel oil storage tanks and water tanks. A gathering company will purchase and transport the product to refining. A strapping table measurement for each oil tank will determine the volume in each tank with run tickets will be filled out at the surface location for each load. Tank seal information will also be recorded to accompany the transport.

This matter does not require any action on your part. Current NMOCD Regulations require that all affected interest owners receive notice of Off-Lease Measurement, Transportation and Sale, and receive notice of proposed future additions to the LGS. Included in Encana's Gathering System application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the gathering system. Should you have any questions, concerns or need additional information please contact me at your earliest convenience at [Mona.Binion@encana.com](mailto:Mona.Binion@encana.com) and/or 370 17th Street, Suite 1700, Denver, Colorado 80202.

**Encana Oil & Gas (USA) Inc., acting by and through its authorized agent,  
Encana Services Company Ltd.**

370 17th Street, Suite 1700, Denver Colorado 80202 720.876.5331 (O) [holly.hill@encana.com](mailto:holly.hill@encana.com)

**encana**

The Encana logo consists of the word "encana" in a bold, lowercase, sans-serif font. Below the text is a stylized, curved line that arches over the letters, resembling a horizon or a wave.

Should you have any objections to our application, please contact the undersigned; you should also contact the NMOCD directly with your objections within twenty (20) days from the date the NMOCD receives our application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. We would appreciate a copy of your objection.

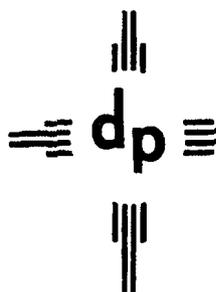
Yours Truly,  
Encana Oil & Gas (USA) Inc.

A handwritten signature in black ink, appearing to read "Holly Hill". The signature is written in a cursive, flowing style.

Holly Hill – Senior Regulatory Analyst

ENCANA OIL & GAS (USA) INC.,  
acting by and through its authorized agent,  
Encana Services Company Ltd.

Attachment No. 4  
Encana Oil & Gas (USA) Inc.  
Lybrook Gathering System, 5<sup>th</sup>  
Amendment



**dugan production corp.**

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August 12, 2016

Interest Owners (Address List Attached)  
Dugan Production Corp.'s  
Gus YJ State #1  
API No. 30-043-20831  
NWNE (Unit B) Section 32, T-23N, R-6W  
Lybrook Gallup Oil Pool  
Sandoval County, New Mexico

Re: Proposed connection to Encana's Lybrook Trunk Line #1 Gathering System for Gas Sales

Dear Interest Owner,

To facilitate the sale of natural gas produced from the subject well, Dugan Production is proposing to connect the Gus YJ State #1 to Encana's Lybrook Trunk Line #1 Gathering System (LGS). Encana is willing to add this well to their gathering system provided that there is no objection from any of the interest owners in the Gus YJ State #1.

Please review our proposal and should you have questions or need additional information, please let me know. In addition, should you have any objection or concern as to our proposal, please so advise on or before 9/1/16.

Encana's LGS was originally approved by the NMOCD on 4/29/13 (Administrative Order PLC-373) and currently has 84 wells, all operated by Encana, approved for operation on the LGS. The LGS actually crosses the south side of the Gus YJ State #1 location and has a riser which can be used to connect the Gus YJ State #1 approximately 850' to the east. The closest connection to Enterprise is approximately 2.6 miles west at the CDP location for the LGS. Clearly, connecting to Encana's LGS is the optimum option to facilitate gas sales from the Gus YJ State #1.

The Gus YJ State #1 was completed 9/4/89 by Yates Petroleum with an IP of 45 BOPD + 20 mcf/d in the Lybrook Gallup oil pool. Dugan Production acquired the Gus YJ State #1 from Yates 1/3/2011 and to date a total of 29,518 bbls oil plus 60,342 mcf of gas has been produced. During the first 5 months of 2016, production has averaged 0.9 BOPD + 4.12 mcf/d with the gas being used to fuel the pumping unit engine. We are currently restricting the gas production to meet the fuel requirements.

During 2013, the Gus YJ State #1 did exhibit apparent communication with some of the adjacent horizontal well completion activity and during February of 2016, we conducted a production test which tested a gas flow rate of 116 mcf/d at 18 psig flowing casing pressure. The gas tested elevated nitrogen levels which confirms wellbore communications with area

horizontal wells. To minimize gas venting, we are restricting gas production which is also restricting oil production. It is anticipated that upon connecting the Gus YJ State #1 for gas sales, production will average 5 BOPD + 116 mcf. To deliver gas into the LGS which averages between 230 and 280 psig, it will be necessary to install a wellhead compressor which initially will be rented and if production warrants, a permanent compression facility will be installed. Currently, the only costs to facilitate this test will be fairly minimal, which will require installing approximately 850' of line to connect to Encana's LGS plus installing a wellsite meter which will be used to allocate gas volumes from the LGS CDP sales meter.

Upon providing this notice to the Gus YJ State #1 interest owners regarding Dugan's proposal to connect the Gus YJ State #1 to Encana's LGS, assuming we do not receive any objection to do so, Dugan Production will formally request Encana to secure the necessary regulatory approvals to add our well to their Lybrook Trunk #1 Gathering System. Upon Encana receiving regulatory approvals to add the Gus YJ State #1 to their LGS, Dugan Production will provide a detailed cost and AFE for working interest owner approvals. It is noted that Dugan Production holds 90.0% of the working interest and the only other working interest owner is WPX Energy Production.

In summary, this letter is to provide notice to the interest owners in Dugan's Gus YJ State #1 that Dugan Production is proposing to add the Gus YJ State #1 to Encana's Lybrook Trunk #1 Gathering System. Should any of the interest owners object to this plan, please advise as soon as possible as we will need to address any interest owner concern prior to proceeding. Upon receiving no objections from our interest owners, we will proceed to assist Encana in obtaining the necessary regulatory approvals, after which an AFE will be prepared for working interest owner approvals.

Should you have any questions or need additional information, please let me know.

Sincerely,



John D. Roe  
Engineering Manager

JDR/tmf

Attachment

cc: Encana -- Holly Hill

**Interest Ownership**  
**Dugan Production Corp.**  
**Gus YJ State No. 1**  
**Lybrook Gallup Oil Pool**  
**Spacing Unit: 40A-NWNE (Unit B), Section 32, T-23N, R-6W**  
**Sandoval County, New Mexico**

<u>INTEREST OWNER</u>	<u>INTEREST %</u>	
	<u>Gross</u>	<u>Net</u>
<u>Working Interest</u>		
Dugan Production Corp. PO Box 420 Farmington, NM 87499-0420	90.000000	76.050000
WPX Energy Production One Williams Center PO Box 3102 MS 36 Tulsa, OK 74101	10.000000	8.750000
<u>Royalty</u>		
New Mexico State Land Office (Lease V-1399) Office of Commissioner of Public Lands P O Box 1148 Santa Fe, NM 87504-1148	-0-	12.500000
<u>Overriding Royalty</u>		
ABO Petroleum Corporation Yates Building 105 South 4th Artesia, NM 88210	-0-	0.300000
Coleman Oil & Gas, Inc. PO Drawer 3337 Farmington, NM 87499-3337	-0-	1.575000
JMJ Ventures, LLC 2204 N. Santiago Avenue Farmington, NM 87401	-0-	0.525000
MYCO Industries, Inc. PO Box 840 Artesia, NM 88211-0840	-0-	0.300000
<b>TOTAL WELL</b>	<b>100.000000</b>	<b>100.000000</b>

INTEREST OWNER  
 NOTIFICATION LETTER DATED 8/12/16  
 DUGAN PRODUCTION'S GUS YJ STATE NO. 1  
 PROPOSED CONNECTION TO ENCANA'S LYBROOK  
 TRUNK LINE #1 GATHERING SYSTEM  
 PAGE 1 OF 2

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <i>RI - 7M State Land Office            Office of Commissioner of Public Lands            PO Box 1148            Santa Fe, NM 87504-1148</i>	B. Received by (Printed Name) _____	C. Date of Delivery _____
2. Article Number (Transfer from service label) 9590 9402 1293 5285 1308 72 7015 0640 0002 3192 2389	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No <div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block; text-align: center;">             PS SANTA FE              AUG 15 2016              SANTA FE              MAIN POST OFFICE           </div>	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery		
PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <i>ORRI - ABO Petroleum Corporation            Gates Building            105 South 4th            Artesia, NM 88210</i>	B. Received by (Printed Name) _____	C. Date of Delivery 8/15/16
2. Article Number (Transfer from service label) 9590 9402 1293 5285 1308 89 7015 0640 0002 3192 2396	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery		
PS Form 3811, July 2015 PSN 7530-02-000-9053		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <i>ORRI - Coleman Oil + Gas Inc.            PO Drawer 3337            Jammington, NM 87449-3337</i>	B. Received by (Printed Name) KAREN MASSEY	C. Date of Delivery 8/15/16
2. Article Number (Transfer from service label) 9590 9402 1293 5285 1308 96 7015 0640 0002 3192 2402	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery		
PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt		

INTEREST OWNER  
 NOTIFICATION LETTER DATED 8/12/16  
 DUGAN PRODUCTION'S GUS YJ STATE NO. 1  
 PROPOSED CONNECTION TO ENCANA'S LYBROOK  
 TRUNK LINE #1 GATHERING SYSTEM  
 PAGE 2 OF 2

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Complete items 1, 2, and 3.</li> <li><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</li> <li><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>ORRI- JMJ Ventures, LLC            2204 N. Santiago Avenue            Farmington, NM 87401</i></p>	<p style="text-align: center; font-size: 1.2em;">AUG 16 2015</p>
<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">9590 9402 1293 5285 1309 02</p> <p style="text-align: center;">7015 0640 0002 3192 2419</p>	<p>3. Service Type <span style="float: right;"><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery</span></p> <p><input checked="" type="checkbox"/> Certified Mail® <span style="float: right;"><input type="checkbox"/> Return Receipt for Merchandise</span></p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation™</span></p> <p><input type="checkbox"/> Collect on Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation Restricted Delivery</span></p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <span style="float: right;"><input type="checkbox"/> Restricted Delivery</span></p>
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <span style="float: right;">Domestic Return Receipt</span></p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Complete items 1, 2, and 3.</li> <li><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</li> <li><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>ORRI- MYCO Industries, Inc.            PO Box 840            Artesia, NM 88211-0840</i></p>	<p style="text-align: center; font-size: 1.2em;">AUG 15 2015</p>
<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">9590 9402 1293 5285 1307 80</p> <p style="text-align: center;">7015 0640 0002 3192 2426</p>	<p>3. Service Type <span style="float: right;"><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery</span></p> <p><input checked="" type="checkbox"/> Certified Mail® <span style="float: right;"><input type="checkbox"/> Return Receipt for Merchandise</span></p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation™</span></p> <p><input type="checkbox"/> Collect on Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation Restricted Delivery</span></p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <span style="float: right;"><input type="checkbox"/> Restricted Delivery</span></p>
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <span style="float: right;">Domestic Return Receipt</span></p>	

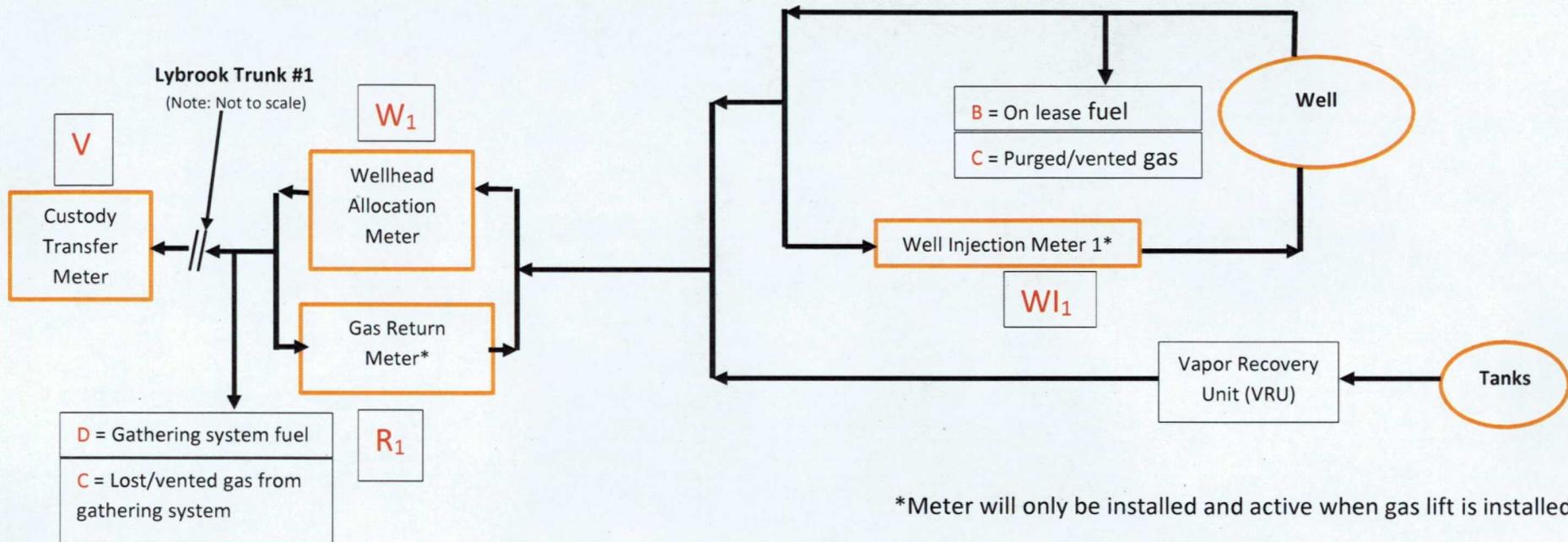
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Complete items 1, 2, and 3.</li> <li><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</li> <li><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>WI- WPX Energy Production            One Williams Center            PO Box 3102 MS 36            Tulsa, OK 74101</i></p>	<p style="text-align: center; font-size: 1.2em;">AUG 15 2015</p>
<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">9590 9402 1293 5285 1308 65</p> <p style="text-align: center;">7015 0640 0002 3192 2372</p>	<p>3. Service Type <span style="float: right;"><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery</span></p> <p><input checked="" type="checkbox"/> Certified Mail® <span style="float: right;"><input type="checkbox"/> Return Receipt for Merchandise</span></p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation™</span></p> <p><input type="checkbox"/> Collect on Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation Restricted Delivery</span></p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <span style="float: right;"><input type="checkbox"/> Restricted Delivery</span></p>
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <span style="float: right;">Domestic Return Receipt</span></p>	

Attachment No. 4  
Encana Oil & Gas (USA) Inc.  
Lybrook Gathering System, 5<sup>th</sup>  
Amendment

*Encana Oil & Gas (USA) Inc. (Encana) is seeking administrative approval from the New Mexico Oil Conservation Division (NMOCD), New Mexico State Land Office (NMSLO), and the Bureau of Land Management (BLM) for an amendment to the Lybrook Trunk #1 Gathering System, PLC-373-A-E/OLM-82-B. Encana is requesting the addition of three (3) wells (two Gallo Canyon Unit Wells, Unit NMNM 131017X, and the Dugan Production Corp. operated Gus YJ State # 001 well located in the NWNE Section 32 T23N R6W) to the previously approved Lybrook Trunk #1 Gathering System (LGS), which will require surface commingling. Said application also requests administrative approval of off-lease measurement and sale of naturally produced gas and in some instances off-lease transportation and sale of oil and condensate for various wells operated by Encana in Sandoval County, New Mexico. The Lybrook Trunk #1 Gathering System interconnects with Enterprise Products Partners' (Enterprise) pipeline in the SWNW of Section 36, Township 23 North, Range 7 West which is known as the Central Delivery Point (CDP). Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office (1220 South St. Francis Drive, Santa Fe, NM 87505) within 20 days from the date of this publication. In the absence of objections, Encana is requesting that the NMOCD approve the amendment to the application administratively.*

Legal No. 74055 published in The Daily Times on June 25, 2017.

**Gas Measurement Allocation Procedure for Single Well Pads**



**Base Data:**

- V = Gas Volume (MCF) from Custody Transfer Meter during allocation period (Enterprise Products Partners)
- R = Gas Volume (MCF) from Gas Return Meter (Encana)\*
- W<sub>1</sub> = Gas Volume (MCF) from Wellhead Allocation Meter at individual wells during allocation period. (Encana)
- WI<sub>1</sub> = Gas Volume (MCF) from Well Injection Meter at individual wells during allocation period. (Encana)\*
- Y = Heating Value (BTU/scf) from Custody Transfer Meter during allocation period. (Enterprise Products Partners)
- Z = Heating Value (BTU/scf) from individual Wellhead Allocation Meter and Well Injection Meter. (Encana)

Allocation Period is typically a calendar month and will be the same for all individual wells.

Attachment No. 5  
Encana Oil & Gas (USA) Inc.  
Lybrook Gathering System, 5<sup>th</sup> Amendment

**Individual Well Gas Production** = A + B + C + D + E

A = Allocated Gas production off lease, MCF:  $[(W_1-R_1)/((W_1-R_1)+(W_2-R_2)+(W_n-R_n))]*(V)$

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions. This includes, but is not limited to, compression, vapor recovery unit (VRU) compression, burners, and pump jacks.

C = Lost and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.

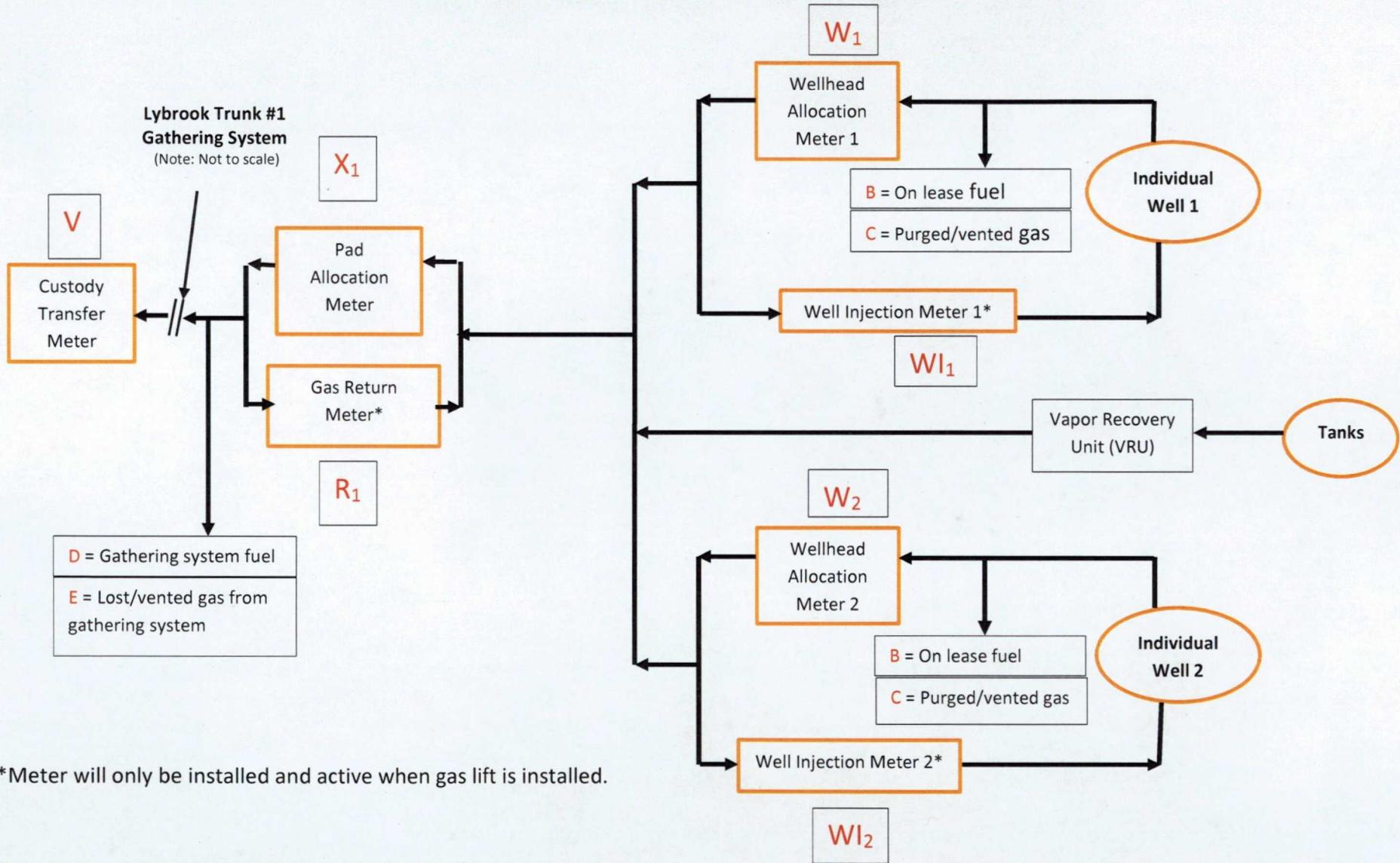
D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by  $[(W_1-R_1)/((W_1-R_1)+(W_2-R_2)+(W_n-R_n))]$ .

E = Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the individual wells affected using factors determined  $[(W_1-R_1)/((W_1-R_1)+(W_2-R_2)+(W_n-R_n))]$ .

**Individual Well BTU's** =  $[\{(W_n-W_{In}) * Z_n\} / \{SUM\{(W_n-W_{In}) * Z_n\}\}] * (V * Y) * 1000]$

Individual well gas heating values to be determined in accordance with BLM regulations.

**Gas Measurement Allocation Procedure for Multi-Well Pads**



\*Meter will only be installed and active when gas lift is installed.

Attachment No. 5  
Encana Oil & Gas (USA) Inc.  
Lybrook Gathering System, 5<sup>th</sup> Amendment

**Base Data:**

V = Gas Volume (MCF) from Custody Transfer Meter during allocation period (Enterprise Products Partners or Williams Field Services)

X<sub>x</sub> = Gas Volume (MCF) from Pad Allocation Meter during allocation period. (Encana)

R<sub>x</sub> = Gas Volume (MCF) from Gas Return Meter at Well Pad (Encana)\*

(X<sub>x</sub> - R<sub>x</sub>) = Gas Volume (MCF) for total Well Pad Production (Encana)

W<sub>x</sub> = Gas Volume (MCF) from Wellhead Allocation Meter at individual wells during allocation period. (Encana)

WI<sub>x</sub> = Gas Volume (MCF) from Well Injection Meter at individual wells during allocation period. (Encana)\*

Y = Heating Value (BTU/scf) from Custody Transfer Meter during allocation period. (Enterprise Products Partners or Williams Field Services)

Z = Heating Value (BTU/scf) from individual Wellhead Allocation Meter and Well Injection Meter. (Encana)

Allocation Period is typically a calendar month and will be the same for all Well Pads and individual wells.

**Allocate the off lease Custody Transfer volume back to the well pad**

$$A_{AL} = \text{Well pad allocated volume (MCF)} = [(X_1 - R_1) / ((X_1 - R_1) + (X_2 - R_2) + \dots + (X_n - R_n))] * (V) + D + E$$

**Distribute (allocate) the allocated well pad production, (A<sub>AL</sub>) back to each well on the pad**

Gas production (MCF) allocated back to the individual wells on a Well Pad is calculated using the formula:

$$AL\ Net_n = [(W_1 - WI_1) / ((W_1 - WI_1) + (W_2 - WI_2) + \dots + (W_n - WI_n))] * A_{AL}$$

**Determine the final allocated production for each well on the pad**

$$\text{Final allocated individual well production (MCF)} = AL\ Net_n + B_n + C_n$$

B<sub>n</sub> = On lease fuel usage attributed to an individual well, MCF. Determined from equipment specification and operating conditions. This includes, but is not limited to, compression, vapor recovery unit (VRU) compression, burners, and pump jacks.

C<sub>n</sub> = Lost and/or vented gas attributed to an individual well from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.

Attachment No. 5  
Encana Oil & Gas (USA) Inc.  
Lybrook Gathering System, 5<sup>th</sup> Amendment

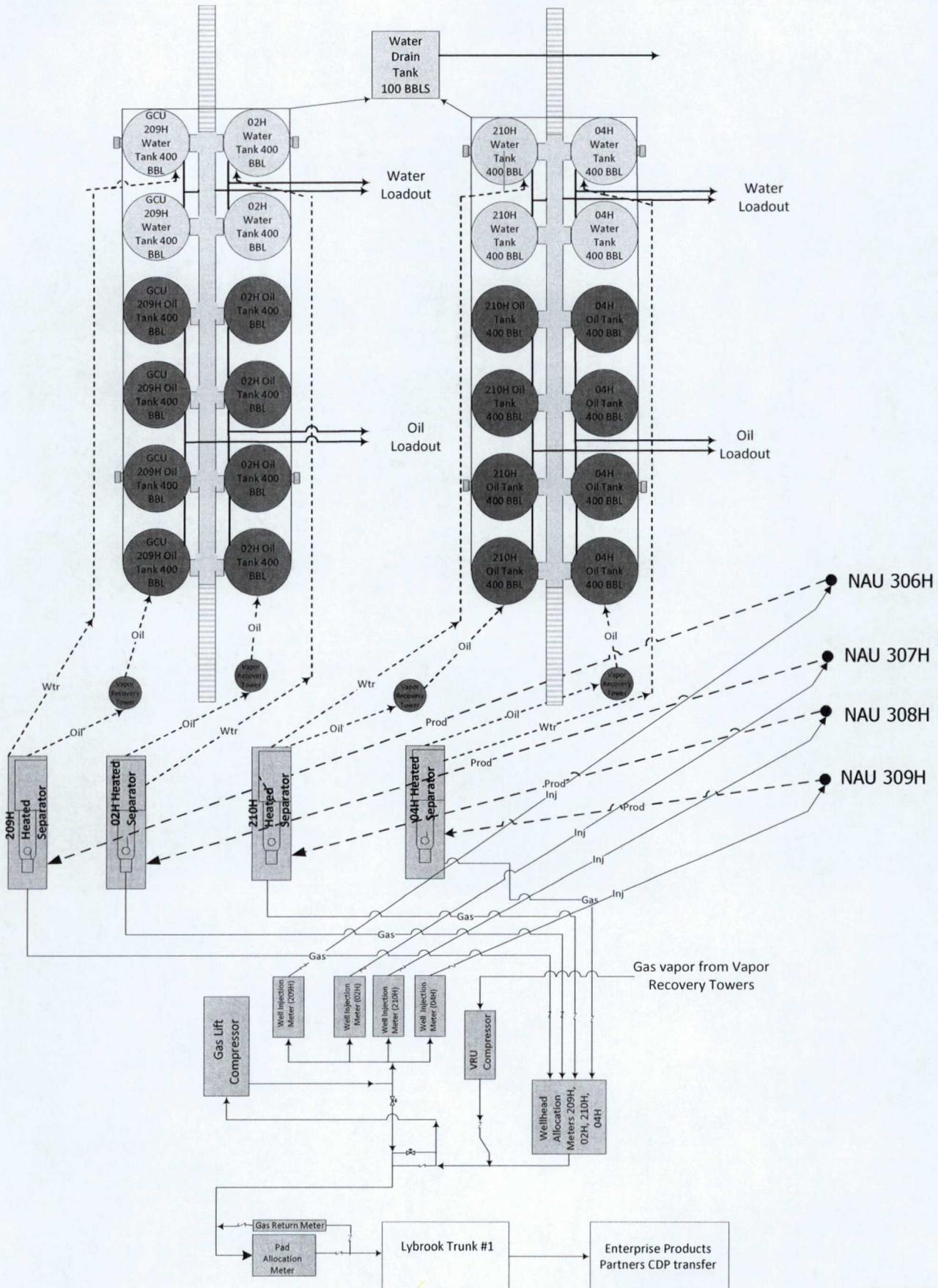
D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the Well Pads benefiting from the equipment using allocation factors determined by  $[(X_1-R_1)/((X_1-R_1)+(X_2-R_2)+(X_n-R_n))]$  and for individual wells using allocation factors determined by  $[(W_1-WI_1)/((W_1-WI_1)+(W_2-WI_2)+(W_n-WI_n))]$ .

E = Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the Well Pads affected using factors determined by  $[(X_1-R_1)/((X_1-R_1)+(X_2-R_2)+(X_n-R_n))]$ , and for individual wells using factors determined by  $[(W_1-WI_1)/((W_1-WI_1)+(W_2-WI_2)+(W_n-WI_n))]$ .

**Individual Well BTU's** =  $[\{(W_n-WI_n)*Z_n\}/\{SUM((W_n-WI_n)*Z_n)\}*(V*Y)*1000]$

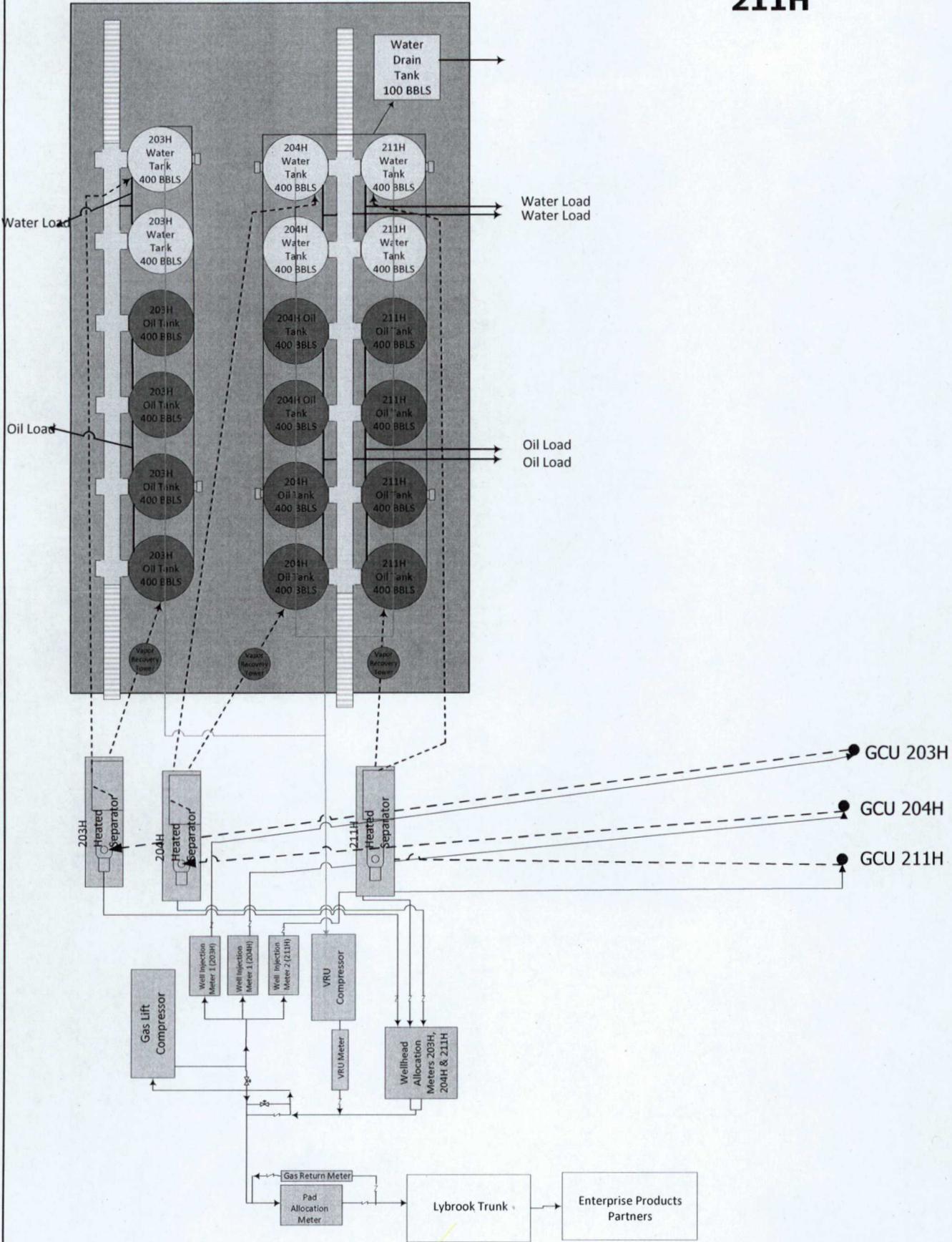
Individual well gas heating values to be determined in accordance with BLM regulations.

# Gallo Canyon Unit 209H & 210H and Lybrook M27-2306 02H & 04H



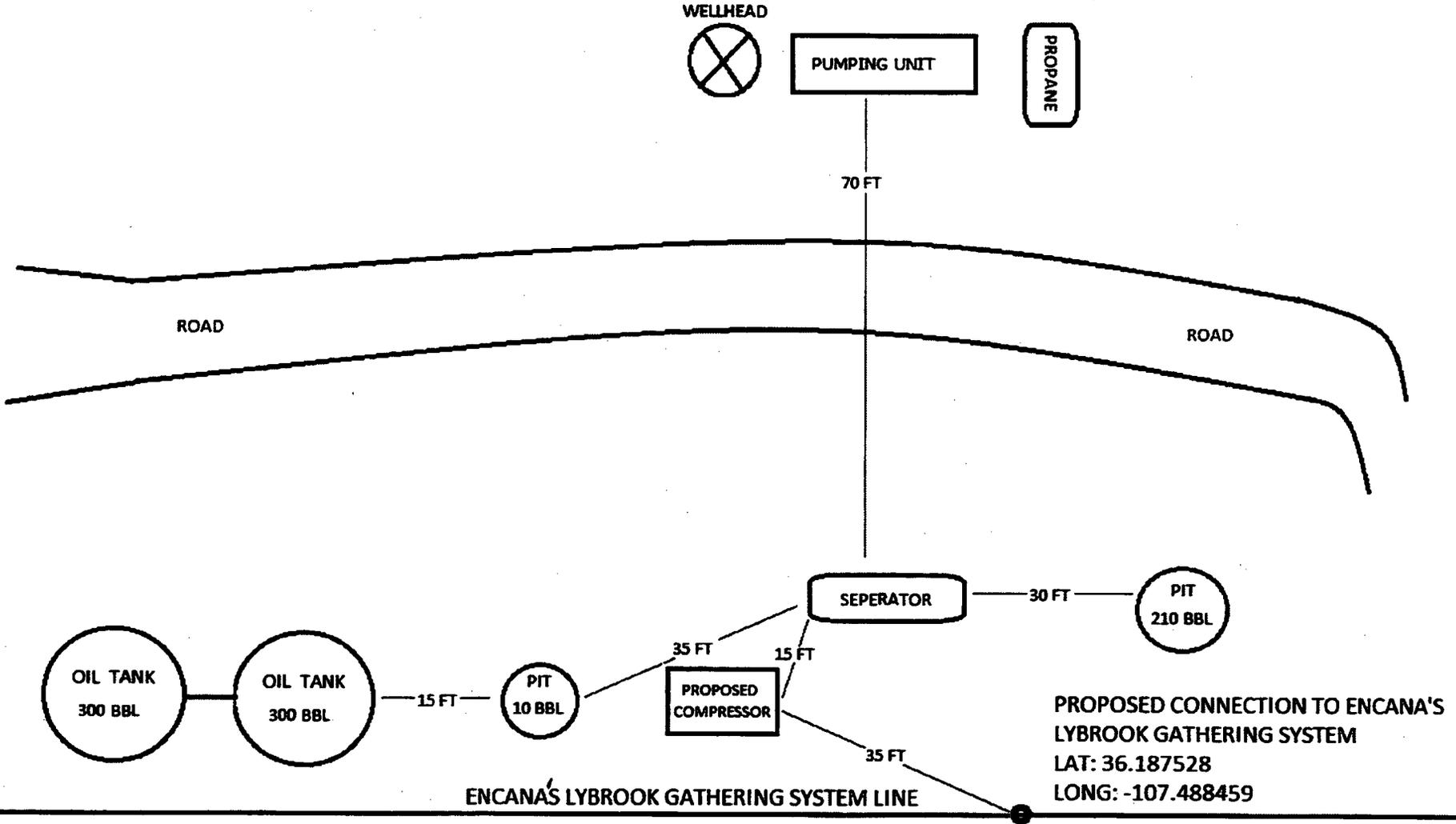
NOT TO SCALE

# Gallo Canyon Unit 203H, 204H and 211H



NOT TO SCALE

DUGAN PRODUCTION CORP  
GUS YJ STATE #1  
LAT 36.18760875: , LONG: -107.48893942  
660 FNL, 1980 FEL, SEC. 32, T23N, R6W  
SANDOVAL COUNTY, NEW MEXICO  
DIAGRAM NOT DRAWN TO SCALE



Attachment No. 7

Participation Statement of Dugan Production Corp.  
Encana Oil & Gas (USA) Inc. Lybrook Gathering System  
Sandoval County, NM

Dugan Production Corp. (Dugan) is the operator of the well listed below that has been drilled in the vicinity of Encana Oil & Gas (USA) Inc.'s (Encana) Lybrook Gathering System (LGS) and desires to use this gas gathering system to transport natural gas produced from the well to a central delivery sales meter for the gathering system.

We have reviewed Encana's allocation procedures for the LGS and believe the described operation and allocation procedures are consistent with standard industry practices, will provide the necessary production accountability, will eliminate the venting of produced natural gas, and are acceptable to Dugan Production Corp.

Dugan hereby requests that the well listed below be added to Encana's Lybrook Gathering System; which includes the associated surface commingling, off-lease measurement and sale of produced natural gas, plus beneficial gas use necessary to operate associated gathering system facilities.

**Well:**

Gus YJ State No. 1  
NWNE Sec 32, T23N R6W (40 acre spacing unit)  
API No. 30-043-20831  
Lybrook Gallup Pool  
State of New Mexico Lease V-1399

Signed by: Thomas H. Dugan  
For Dugan Production Corp.

Title: President

Date: June 16, 2017

Well Name	API							Cumulative
		Nov-16 mcf	Dec-16 mcf	Jan-17 mcf	Feb-17 mcf	Mar-17 mcf	Apr-17 mcf	Gas mcf
Gallo Canyon Unit 203H	30-043-21207	8,664	8,694	8,309	7,458	8,901	8,035	230,556
Gallo Canyon Unit 204H	30-043-21209	13,123	12,699	12,177	11,047	12,038	12,318	318,670
Gallo Canyon Unit 206H	30-043-21205	10,454	10,032	9,593	8,380	8,989	9,108	323,757
Gallo Canyon Unit 207H	30-043-21206	14,301	13,884	13,412	9,350	12,068	12,178	411,249
Gallo Canyon Unit 208H	30-043-21208	10,569	8,975	10,255	9,083	9,519	9,503	304,161
Gallo Canyon Unit 209H	30-043-21179	13,999	15,417	13,432	12,381	13,876	13,257	767,037
Gallo Canyon Unit 301H	30-043-21233	10,635	11,250	10,706	9,244	9,851	9,412	307,387
Lybrook A01-2206 01H	30-043-21137	4,885	4,748	4,516	3,982	4,015	3,918	286,456
Lybrook A03-2206 01H	30-043-21130	5,948	5,520	4,118	5,015	5,581	5,468	493,939
Lybrook A32-2306 01H	30-043-21127	13,040	13,018	12,002	10,043	12,232	11,958	663,063
Lybrook D22-2206 01H	30-043-21131	1,353	1,398	2,383	1,372	1,398	1,353	101,169
Lybrook E27-2306 01H	30-043-21152	9,166	9,805	8,589	7,994	9,117	8,473	474,577
Lybrook E27-2306 03H	30-043-21150	10,665	10,909	9,722	9,196	10,041	10,146	563,648
Lybrook E29-2306 01H	30-043-21141	9,267	8,753	8,375	6,938	7,412	7,135	463,435
Lybrook E29-2306 03H	30-043-21142	7,627	6,597	6,344	5,679	6,149	6,048	367,887
Lybrook H01-2206 01H	30-043-21122	5,389	5,982	4,906	4,872	5,111	4,984	353,155
Lybrook H03-2206 01H	30-043-21123	5,626	6,376	6,112	5,452	5,422	5,821	422,894
Lybrook H32-2306 01H	30-043-21126	16,194	15,883	15,663	14,576	15,062	14,607	1,160,450
Lybrook H36-2307 01H	30-043-21117	3,177	3,381	3,480	3,103	3,521	3,436	257,766
Lybrook H36A-2307 01H	30-043-21183	4,573	4,792	6,150	5,575	5,574	4,397	159,343
Lybrook I32-2306 01H	30-043-21129	6,829	7,346	6,531	6,015	6,957	6,819	509,640
Lybrook I32-2306 02H	30-043-21125	5,246	5,452	5,143	4,822	5,077	5,080	374,751
Lybrook M27-2306 02H	30-043-21153	8,913	9,584	8,583	7,369	8,105	8,421	529,792
Lybrook M27-2306 04H	30-043-21151	7,410	12,807	13,430	12,063	14,100	13,148	698,215
Lybrook M28-2306 01H	30-043-21178	6,837	6,829	6,940	5,901	6,294	6,475	305,056
Lybrook M28-2306 02H	30-043-21175	10,818	9,739	8,489	8,134	9,134	8,859	486,071
Lybrook M28-2306 03H	30-043-21194	14,104	14,015	14,339	12,430	13,426	13,397	648,939
Lybrook M31-2306 02H	30-043-21146	8,268	8,200	8,181	7,579	8,537	8,069	471,411
Lybrook M31-2306 03H	30-043-21145	6,008	6,220	6,230	5,532	6,767	5,986	357,612
Lybrook P24-2206 01H	30-043-21124	1,572	1,398	1,488	1,589	1,813	1,608	89,052
Lybrook P28-2306 01H	30-043-21176	12,978	15,316	15,796	14,345	15,096	13,065	149,474
Lybrook P28-2306 02H	30-043-21177	11,055	12,413	11,969	10,965	10,757	10,412	113,250
Venado Canyon Unit 102H	30-043-21221	3,759	3,689	3,704	3,407	4,892	4,367	99,499
Venado Canyon Unit 103H	30-043-21220	3,028	3,389	4,137	3,529	4,460	4,011	125,589

**DUGAN PRODUCTION CORP.  
GUS YJ STATE NO. 1  
LYBROOK GALLUP OIL POOL**

<b>Month</b>	<b>bbl oil</b>	<b>mcf gas</b>	<b>bbl water</b>	<b>days on*</b>
10/2016	1	4	0	31
11/2016	2	52	0	30
12/2016	2	104	0	31
1/2017	4	5	0	31
2/2017	3	5	0	28
3/2017	61	57	0	31
<b>Cumulative 4/1/2017</b>	<b>29,648</b>	<b>60,905</b>	<b>2,361</b>	

\* - production started 9/1/89 and the well is operated in a manner to limit volumes of gas vented. Typically, as often as possible, the pumping unit is started, leaving the casing shut in, and operated until the gas coming up the tubing increases, at which time the pumping unit is shut in. Typically, gas from the well is used to fuel the pumping unit engine, however, if needed, propane is available.

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

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

David R. Catanach, Division Director  
Oil Conservation Division



July 29, 2015

**ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER**

Administrative Order PLC-373-E  
Administrative Application Reference No. pMAM1518834928

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

Encana Oil & Gas (USA) Inc. has requested to amend Division Order No. PLC-373-D to include the wells listed in Attachment No.1 to the surface commingling order. The Division has reviewed your application and hereby grants your request.

The Division Order No. PLC-373-D is hereby amended, and Encana Oil & Gas (USA) Inc. (OGRID 282327) is hereby authorized to surface commingle gas production from the pools and the diversely owned wells listed in Attachment No. 1, located in Sandoval County, New Mexico.

Gas production from each well shall be separately metered before commingling with production from other wells. 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.

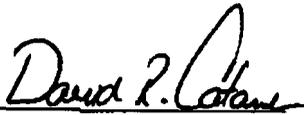
This Division Order supersedes Division Order PLC-373-D, issued on June 12, 2014.

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

Administrative Order PLC-373-E  
Encana Oil & Gas (USA) Inc.  
July 29, 2015  
Page 2

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DONE at Santa Fe, New Mexico, on July 29, 2015.



**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