

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

| |
|---|
| WELL API NO. 30-043-21129 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Lybrook I32-2306 |
| 8. Well Number 01H |
| 9. OGRID Number 282327 |
| 10. Pool name or Wildcat Lybrook Gallup |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7101' GR |

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
Encana Oil & Gas (USA) Inc.

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

4. Well Location

SHL: Unit Letter I: 1307 feet from the SOUTH line and 288 feet from the EAST line

BHL: Unit Letter L: 1980 feet from the SOUTH line and 330 feet from the WEST line

Section 32

Township 23N

Range 6W

NMPM

Sandoval County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7101' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Encana Oil & Gas (USA) Inc. (Encana) would like to revise casing and BOP plans for the Lybrook I32-2306 01H oil well. Surface casing will change from 13 3/8" to 9 5/8". Intermediate casing will change from 9 5/8" to 7" (and the setting depth will change to 5403'TVD/5700'MD). Production liner will change from 5 1/2" to 4 1/2". Please see attached revised APD and wellbore diagram.

CONFIDENTIAL

RCVD SEP 21 '12
OIL CONS. DIV.
DIST. 3

Spud Date:

Rig Release Date:

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

SIGNATURE Amanda Cavoto

TITLE Engineering Technologist

DATE 09/18/12

Type or print name Amanda Cavoto

E-mail address: amanda.cavoto@encana.com

PHONE: 720-876-3437

For State Use Only

Deputy Oil & Gas Inspector,
District #3

APPROVED BY: [Signature]

TITLE AV

DATE OCT 05 2012

Conditions of Approval (if any):

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised August 1, 2011

Permit

RCVD SEP 21 '12
OIL CONS. DIV.
DIST. 3

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|---|
| ¹ Operator Name and Address ENCANA OIL & GAS (USA) INC 370 17 TH STREET, SUITE 1700 DENVER, CO 80202 | | ² OGRID Number 282327 |
| | | ³ API Number 30-043-21129 |
| ⁴ Property Code 39270 | ⁵ Property Name LYBROOK I32-2306 | ⁶ Well No. 01H |

⁷ Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|----------|
| SHL: I | 32 | 23N | 6W | | 1307 | SOUTH | 288 | EAST | SANDOVAL |
| BHL: L | 32 | 23N | 6W | | 1980 | SOUTH | 330 | WEST | SANDOVAL |

⁸ Pool Information

| |
|----------------|
| LYBROOK GALLUP |
|----------------|

Additional Well Information

| | | | | |
|----------------------------------|---|---|-----------------------------------|---|
| ⁹ Work Type N | ¹⁰ Well Type O | ¹¹ Cable/Rotary R | ¹² Lease Type S | ¹³ Ground Level Elevation 7101' |
| ¹⁴ Multiple N/A | ¹⁵ Proposed Depth 5452' TVD/10158' MD | ¹⁶ Formation GALLUP | ¹⁷ Contractor AZTEC | ¹⁸ Spud Date ~10/26/12 |
| Depth to Ground water UNKNOWN | | Distance from nearest fresh water well 5280' | | Distance to nearest surface water ~660' (dry) |

¹⁹ Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|--------------|-----------|-------------|------------------|--------------------|---------------------|---------------|
| CONDUCTOR | 30" | 20" | 94# | 60' | 100 | SURFACE |
| SURFACE | 12 1/4" | 9 5/8" | 36# | 500' | 178 | SURFACE |
| INTERMEDIATE | 8 1/2" | 7" | 26# | 5403' TVD/5700' MD | 603 (30% OH EXCESS) | SURFACE |
| PROD. LINER | 6 1/8" | 4 1/2" | 11.6# | 5500'-10158' MD | N/A | N/A |

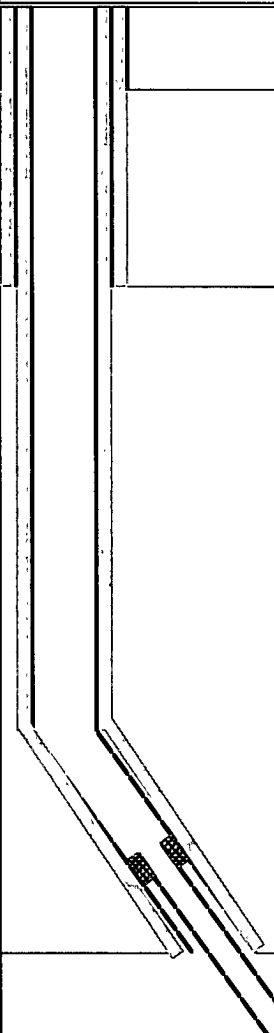
Casing/Cement Program: Additional Comments

| |
|--|
| HORIZONTAL LATERAL IN THE GALLUP FORMATION. NO CEMENT IN THE PRODUCTION LINER, WILL RUN EXTERNAL SWELL CASING PACKER SYSTEM. WILL USE OIL BASED MUD SYSTEM FROM INTERMEDIATE CASING POINT TO TD OF HORIZONTAL LATERAL. |
|--|

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------------|------------------|---------------|--------------|
| ROTATING HEAD | 3000 | 1500 | TBD |
| SINGLE RAM | 3000 | 3000 | TBD |
| ANNULAR | 3000 | 1500 | TBD |

| | | | |
|---|--|---------------------------|--|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. NO DRILLING PIT WILL BE USED. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | | OIL CONSERVATION DIVISION | |
| Printed name. BRENDA R. LINSTER | | | |
| Title: REGULATORY ADVISOR | | Approved By. | |
| E-mail Address: BRENDA.LINSTER@ENCANA.COM | | Title: | |
| Date. 09.19.12 | | Approved Date: | |
| Phone. 720-876-3989 | | Expiration Date: | |
| Conditions of Approval Attached | | | |

| | | | | | | | | | | |
|--|--|--|--|-------------------------------------|--|--|---|--|---|---------|
| LOC: Sec 32, T23N, R6W County: Sandoval WELL: Lybrook I32-2306 01H | | | Encana Natural Gas WELL SUMMARY | | | <div>encana[™]</div> <div>natural gas</div> | | ENG: J. Fox/ A. RIG: GLE: 7101 RKBE: 7114 | | 9/13/12 |
| MWD LWD | OPEN HOLE LOGGING | FORM | DEPTH TVDMD | | | HOLE SIZE | CASING SPECS | MW MUD TYPE | DEVIATION INFORMATION | |
| | | | 60 | 60' |  | 30 | 20" 94# 100sx Type I Neat 48 8ppg cmt | Fresh wtr 8 3-9 2 | | |
| Surveys After csg is run | None | | | | | 12 1/4 | 9 5/8" 36ppf J55 STC TOC @ surface | Fresh wtr 8 4-8 6 | Vertical <1° | |
| Surveys every 500' | No OH logs Mud logger onsite | Ojo Alamo Kirtland Shale Fruitland Coal Pictured Cliffs Ss Lewis Shale Cliffhouse Ss Menefee Fn Point Lookout Ss Mancos Sh Mancos Silt KICK OFF PT Gallup Top | 1375 1591 1746 1972 2090 2812 3477 4237 4410 4952 4800 5227 5403 | 500 5700 | | 8 1/2 | 7" 26ppf J55 LTC TOC @ surface | Fresh Wtr 8 5-8 8 | Vertical <1° KOP 4800 10 deg/100' | |
| Surveys every 500' Gyro at CP MWD Gamma Directional | No OH Logs | horz target Base Gallup | 5477 5532 | 6158 | | 6 1/8 | 200' overlap at liner top 4000' Lateral | 8 6-9 0 OBM | 5deg updip s TD = 10158' MD 5452' TVD | |
| | | | | | | | 4 1/2" 11.6ppf SB80 LTC Running external swellable csg packers for isolation of prod string | OBM 8.6-9.0 | | |