Form 3160-5
(August 2007)

CONFIDENTIAL

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FEB 2013

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Farmington Field Office
Bureau of Land Management

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

5. Lease Serial No.
NM 28748

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Lybrook H26 2307 02H

2. Name of Operator
Encana Oil & Gas (USA) Inc.

9. API Well No.
30-043-21133

3a. Address
370 17th Street, Suite 1700
Denver, CO 80202
Attn: Robynn Haden

3b. Phone No. *(include area code)*
720-876-3941

10. Field and Pool or Exploratory Area
Lybrook Gallup

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
SHL: 2227' FNL and 357' FEL Sec 26, T23N, R7W
BHL: ~~1860~~ 1924' FNL and ~~330~~ 342' FWL Sec 26, T23N, R7W

11. Country or Parish, State
Sandoval, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other CBL
BP	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Please see attachment for CBL details. Log attached.

RCVD FEB 27 '13
OIL CONS. DIV.
DIST. 3

ACCEPTED FOR RECORD

FEB 15 2013

FARMINGTON FIELD OFFICE
BY William Tambekou

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)*
Robynn Haden

Title Engineering Technologist

Signature Robynn Haden

Date 2/13/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

On the Lybrook H26-2307 02H (API# 30-043-21133), after running an initial cement bond log (CBL) on 01/04/2013 within 24 hours of pumping the two-stage cement job, Encana proposed running a second CBL with 1000 psi to confirm top of cement (TOC). The second CBL was run on 01/25/2013 with 1000 psi. The original TOC from 1/4/13 was approximately 1080' MD. The second CBL on 1/25/13 did show an improvement. The good TOC appears to be ~1000' MD, but based on the amplitude decrease above this point (original CBL showed a steady amplitude of 60 mV between 600'-1000' but it dropped to a range of 40-50 mV across this same interval—an indication of slight improvement) there appears to be a weak/marginal bond up to ~600' MD. The good TOC of 1000' is 425' above the Ojo Alamo which is sufficiently covered—a cement remediation above TOC is not required. The second area of concern is between 1820'-2080' MD. A similar decrease in amplitude was observed in this interval on the second CBL (actually in the 30-40 mV range from 1920'-1940'). Finally, the bond from the DV tool @ 2126' to 5520' (depth of original CBL) is excellent. Based on all of this information, Encana does not plan on remediating or squeezing 7" intermediate casing. A suicide squeeze attempt in the 1820'-2080' section of pipe is risky and if unsuccessful would require one or more suicide squeeze attempts which would further weaken the 7" pipe integrity. During completion operations, it is not preferable to have squeeze holes in 7" CSG due to the potential that pressure could be imparted to the intermediate and possibly break down squeeze holes. Also, during the production phase it would not be advisable to have squeeze holes that could break down during gas lift operations. This well will likely be artificially lifted using a gas lift setup.

Below are the tops (MD) for the Lybrook H26-2307 02H picked from the CBL.

Ojo Alamo: 1425'
Kirtland Shale: 1588'
Fruitland: 1850'
Pictured Cliffs: 2034'
Lewis Shale: 2161'

The Fruitland in this area has very little coal development, it primarily consists of non-marine shale and sandstone. Coals are hard to pick on the subdued gamma of the CBL but in surrounding wells, any coals that are present are very thin and inconsistent, suggesting they are not regionally continuous or connected. This well is quite a ways south of the main productive trend of the Fruitland Coal where coal development is much thicker and regionally continuous. The Fruitland in this area is non-productive/perspective.