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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Farmington Field (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.

5. Lease Serial No. NM NM 109386 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well [X] Oil Well [] Gas Well [] Other

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

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

8. Well Name and No. Lybrook A03-2206 01H

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

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

9. API Well No. 30-043-21130

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 827' FNL and 432' FEL Section 3, T22N, R6W BHL: 720' FNL and 351' FWL Section 3, T22N, R6W

10. Field and Pool or Exploratory Area Lybrook Gallup

11. Country or Parish, State Sandoval, New Mexico

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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 recomplate 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.)

Encana Oil & Gas (USA) Inc. (Encana) completed the Lybrook A03-2206 01H well on November 11, 2012. Encana requests an exception from APD COA IV. Gas Flaring (gas test period of 30 days from well completion or 50 MMCF, whichever comes first) and requests an additional 60 days to flare the gas from this well. There are several reasons for this request: 1. pipeline approval is not expected until 2Q 2013, 2. this well was completed using a larger frac design which resulted in larger nitrogen and water volumes and additional time is needed to remove fluid off of the formation and clean up the well, 3. additional flaring would allow for a better understanding of the well's potential and the Lybrook area potential.

Encana intends to set production facilities in mid-December and, upon flare extension approval, will begin the 60-day extension on or about December 24, 2012.

Based on initial results of 350 bbls/d, Encana estimates that an average of approximately 350 mcf/d will be flared.

RCVD JAN 9 '13 OIL CONS. DIV. DIST. 3

CONFIDENTIAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Robynn Haden Title Engineering Tech Signature [Handwritten Signature] Date 11/27/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Handwritten Signature] Title Petr. Eng Date 12/20/12 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.

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.

NMOCD