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Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FEB 22 2013

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

Farmington Field  
Office 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.  
SF 078860

6. If Indian, Allottee or Tribe Name  
N/A

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

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

3b. Phone No. (include area code)  
720-876-3989

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)  
SHL: 1935' FSL and 205' FEL Section 24, T24N, R9W  
BHL: 1857' FSL and 363' FWL Section 24, T24N, R9W

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

8. Well Name and No.  
Escrito I24-2409 01H

9. API Well No.  
30-045-35322

10. Field and Pool or Exploratory Area  
Basin Mancos Gas Pool

11. Country or Parish, State  
San Juan, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report <b>BP</b>	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Install gas lift</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

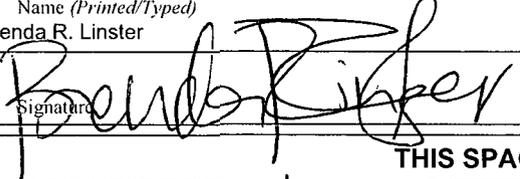
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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.)

Gas lift was installed on 02/07/13. a flow schematic, measurement discussion, and initial meter volumes are attached.

RCVD MAR 28 '13  
OIL CONS. DIV.  
DIST. 3

14. I hereby certify that the foregoing is true and correct.

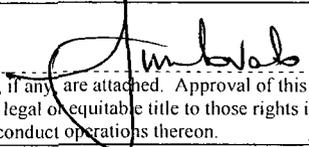
Name (Printed/Typed)  
Brenda R. Linster

Signature 

Title Regulatory Lead

Date 02-22-13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 

Title Petr. Eng

Office

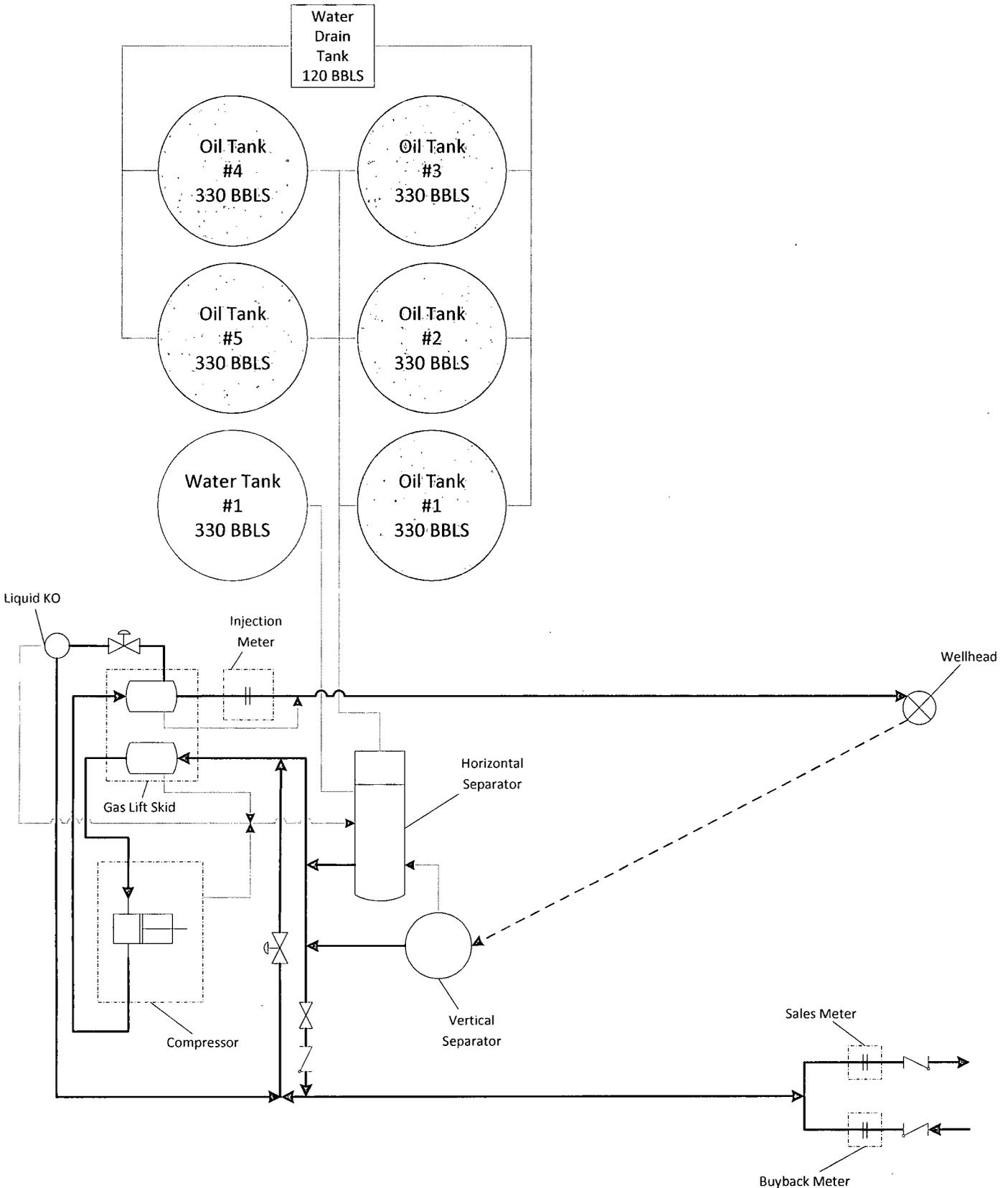
Date 3/20/13

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.

(Instructions on page 2)

NMOC  
ca



Legend	
3-Phase	----
Liquid	—
Gas	—

FILENAME  
 ESCRITO I24-2409-01H SCHEMATIC.VSD

**NOT TO SCALE**

DATE  
 02/20/2013

## Measuring gas on the Escrito I24-2409 01H with gas lift installed

With the gas lift system installed on the Escrito I-24 two additional meters for gas were installed on the location. The original sales gas meter continues to be used for the same functionality as when the well did not have gas lift.

The additional meters are a buy back meter and an injection (informational only) meter. The buy back meter is used to meter any gas that is purchased from the midstream company for kickoff and start up purposes only. This meter is tied in in parallel to the sales meter. The buy back volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no buy back gas is used. The only difference from the original well setup is that at the end of the month, the sales meter and buy back meter are combined to determine the net sales volume as agreed up on with the midstream company.

There is also an injection meter on location which is used for metering the injection gas that is circulated through the wellbore. This meter is for informational / operational optimization purposes only. Since this meter is upstream of the sales meter, this meter is not used to calculate sales volumes.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
6252 College Blvd., Suite A  
Farmington, New Mexico 87402

IN REPLY REFER TO:

### **CONDITIONS OF APPROVAL FOR GAS LIFT INSTALLATION**

- The buy-back isolation valve identified on the attached photo must be effectively sealed in the closed position to prevent produced gas from potentially by-passing the measurement and sales facility in the event of check valve failure or un-authorized access.
- Seal records must be maintained and made available upon request.
- Measurement of gas at this facility must be conducted in accordance with the requirements outlined in Onshore Order No. 3, Site security, Onshore Order No. 4, Oil Measurement, Onshore Order No. 5, Gas Measurement and NM NTL 2008-01, Standards for the Use of Electronic Flow Computers.