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Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Farmington Field Office Bureau of Land Management

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

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.

Case/Serial No. NM 28748

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

RCVD APR 8 '13 OIL CONS. DIV.

1. Type of Well

[X] 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

DIST. 3

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 Basin Mancos

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 2227' FNL and 357' FEL Sec 26, T23N, R7W BHL: 1880' FNL and 330' 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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, and various actions like Acidize, Deepen, Production, 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.

Encana Oil & Gas (USA) Inc. (Encana) completed the Lybrook H26-2307 02H well on 2/12/13. 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 30 days to flare the gas from this well.

Encana intends to set production facilities beginning of April and, upon flare extension approval, will begin the 60-day extension on or about April 20, 2013.

Based on the large volume of nitrogen (see attached gas analysis), Encana estimates that an average of approximately 1000 mcf/d will be flared

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS.

CONFIDENTIAL

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

Name (Printed/Typed) Robynn Haden

Title Engineering Technologist

Signature

Handwritten signature of Robynn Haden

Date

3/27/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy L. Salvors

Title Petroleum Engineer

Date 3/27/2013

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

FFO

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)

CONDITIONS OF APPROVAL Adhere to previously issued stipulations.

NMOCDAV



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

Analysis No: EC130020
Cust No: 25150-11065

Well/Lease Information

Customer Name: ENCANA OIL & GAS
Well Name: LYBROOK H26-2307 #02H
County/State: SANDOVAL NM
Location: H26-23N-07W
Field:
Formation: MANCOS
Cust. Stn. No.: 550100501

Source:
Pressure: 210 PSIG
Sample Temp: 98 DEG. F
Well Flowing: Y
Date Sampled: 03/07/2013
Sampled By: BOB DURBIN
Foreman/Engr.:

Remarks:

Analysis

| Component:: | Mole%: | **GPM: | *BTU: | *SP Gravity: |
|-------------|---------|---------|--------|--------------|
| Nitrogen | 69.857 | 7.6900 | 0.00 | 0.6757 |
| CO2 | 0.167 | 0.0290 | 0.00 | 0.0025 |
| Methane | 25.053 | 4.2500 | 253.04 | 0.1388 |
| Ethane | 2.186 | 0.5850 | 38.69 | 0.0227 |
| Propane | 1.525 | 0.4200 | 38.37 | 0.0232 |
| Iso-Butane | 0.191 | 0.0630 | 6.21 | 0.0038 |
| N-Butane | 0.511 | 0.1610 | 16.67 | 0.0103 |
| I-Pentane | 0.132 | 0.0480 | 5.28 | 0.0033 |
| N-Pentane | 0.124 | 0.0450 | 4.97 | 0.0031 |
| Hexane Plus | 0.254 | 0.1130 | 13.39 | 0.0084 |
| Total | 100.000 | 13.4040 | 376.61 | 0.8917 |

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0009
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 377.8
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 371.2
REAL SPECIFIC GRAVITY: 0.8922

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

DRY BTU @ 14.650: 375.7
DRY BTU @ 14.696: 376.9
DRY BTU @ 14.730: 377.8
DRY BTU @ 15.025: 385.4

CYLINDER #: 4245
CYLINDER PRESSURE: 213 PSIG
DATE RUN: 3/8/13 2:31 PM
ANALYSIS RUN BY: AMANDA ARMENTA



ENCANA OIL & GAS
WELL ANALYSIS COMPARISON

Lease: LYBROOK H26-2307 #02H
Stn. No.: 550100501
Mtr. No.:

MANCOS

03/11/2013
25150-11065

Smpl Date: 03/07/2013
Test Date: 03/08/2013
Run No: EC130020
Nitrogen: 69.857
CO2: 0.167
Methane: 25.053
Ethane: 2.186
Propane: 1.525
I-Butane: 0.191
N-Butane: 0.511
I-Pentane: 0.132
N-Pentane: 0.124
Hexane+: 0.254
BTU: 377.8
GPM: 13.4040
SPG: 0.8922