

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12
(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant Encana Oil & Gas (USA) Inc.
whose address is 370 17th Street, Suite 1700
hereby requests an exception to Rule 19.15.18.12 for 30 days days or until
02/24, Yr 2014, for the following described tank battery (or LACT):
Name of Lease NO-G-0905-1759/NO-G-0902-1754 Name of Pool South Bisti-Gallup
Location of Battery: Unit Letter P Section 34 Township 24 Range 10
Number of wells producing into battery 1
- B. Based upon oil production of 217 barrels per day, the estimated * volume
of gas to be flared is 27,720 MCF; Value \$1,870 per day.
- C. Name and location of nearest gas gathering facility:
Good Times Trunk, SESE Section 35, Township 24N, Range 10W
- D. Distance 2,980' Estimated cost of connection \$273,000 buried / \$30,000 surface
- E. This exception is requested for the following reasons: lengthy permit timeframe associated with buried
well connect (see attached). Encana has received BLM permission to extend flaring until 02/24/14 and
anticipates receiving BLM and FIMO permission for a temporary surface pipeline in the next few weeks.
The temporary surface pipeline will be used until the long-term buried pipeline is approved and installed.

RCVD JAN 23 11 4
OIL CONS. DIV.
DIST. 3

OPERATOR
I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.
Signature Brenda R. Linster
Printed Name
& Title Brenda R. Linster, Regulatory Lead
E-mail Address brenda.linster@encana.com
Date 01/23/14 Telephone No. 720-876-3989

OIL CONSERVATION DIVISION
Approved Until 2-23-2014
By [Signature]
Title SUPERVISOR DISTRICT # 3
Date JAN 23 2014

* Gas-Oil ratio test may be required to verify estimated gas volume.

Good Times P34-2410 Pipeline Permit Summary

Pipeline route originally permitted to the north, approved on 09/20/12 (total processing time from NOS to approval 364 days). Pipeline route re-surveyed to Encana's Good Times Trunk due to lack of capacity in Dugan's pipeline. The new pipeline application and an APD for the Good Times P34-2410 02H was submitted on 10/11/12 and approval is pending. Based on past experience with the original Good Times P34-2410 01H, processing time was 172 days for the permit and 60 days for the FIMO Permission to Start; therefore approval is not expected until September 2014. Construction will commence immediately upon permit receipt and FIMO permission to start and Encana expects to have the pipeline constructed by the end of September 2014.

10/11/12: Submitted NOS

04/23/13: FIMO onsite conducted

04/25/13: BLM onsite conducted

04/26/13: Initiated consultation with BLM/BIA/NNDFW to determine what would be required to revise the pipeline and add the 02H well

06/28/13: BLM determined that action could not be processed with a DNA and would require a BIA EA Addendum (to address the 02H well and the allotted portion of the pipeline) and a BLM EA addendum (to address the 02H and the BLM portion of the pipeline).

06/28/13: Arch Report submittal date

08/9/13: Data Request (DR) submitted to NNDFW (after failed attempts at consultation with NNDFW to avoid having to submit new BE and/or update DR)

08/9/13: Cultural Resources Compliance Form (CRCF) received

10/2/13: DR received from NNDFW

10/3/13: BE Addendum sent to NNDFW

12/10/13: Biological Resources Compliance Form (BRCF) received from NNDFW

12/19/13: BIA EA Addendum submitted

12/20/13: BLM EA Addendum submitted

07/01/14: Anticipated approval based on 172 day timeframe associated with the Good Times P34-2410 01H

09/01/14: Anticipated date to receive FIMO Permission to Start, based on 60 day timeframe associated with Good Times P34-2410 01H

09/26/14: Pipeline construction complete.