Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
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

CONFIDENTIAL

Form C-103
Revised July 18, 2013

WELL API NO. 30-043-21195	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No. NM6682	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well ☒ Gas Well ☐ Other	7. Lease Name or Unit Agreement Name Lybrook E33-2307 8. Well Number 01H
2. Name of Operator Encana Oil and Gas (USA) Inc.	9. OGRID Number 282327
3. Address of Operator 370 17th Street, Suite 1700 Denver, CO 80202	10. Pool name or Wildcat Basin Mancos
4. Well Location Unit Letter E:1741 feet from the North line and 549 feet from the West line Section 33 Township 23N Range 7W NMPM County Sandoval	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6853' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: ☐		OTHER: Pre-Installation of Gas Lift ☒	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Encana Oil & Gas (USA) Inc. is requesting authorization to install gas lift at the Lybrook E33-2307 01H well. Attached is a schematic of the pad with gas lift and the gas allocation procedure.

RCVD SEP 5 '14
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cristi Bauer TITLE Operations Tech DATE 9/3/14

Type or print name Cristi Bauer E-mail address: Cristi.Bauer@encana.com PHONE: 720-876-5867

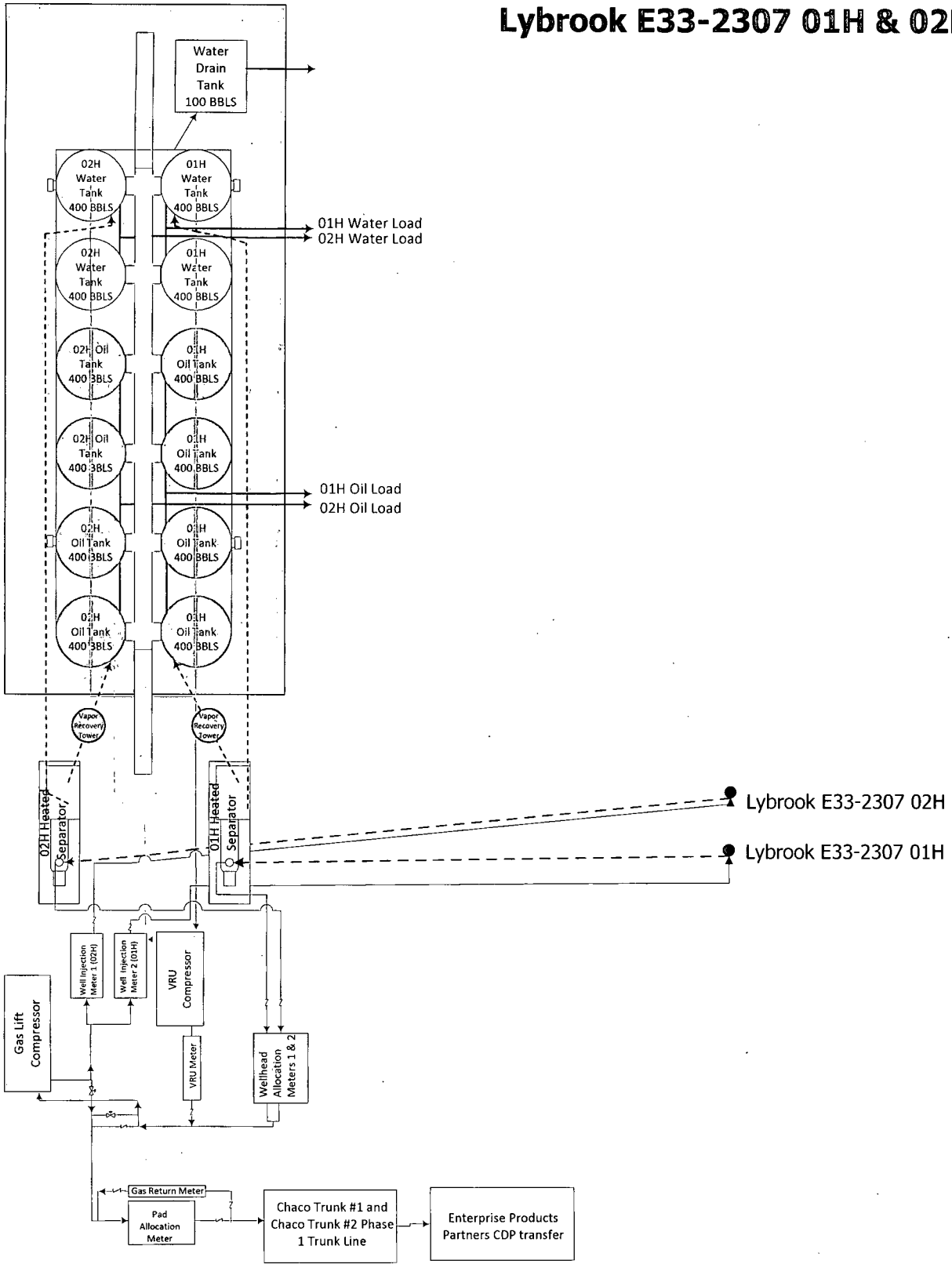
For State Use Only

APPROVED BY: _____ TITLE _____ DATE 9/12/14

Conditions of Approval (if any): A

5

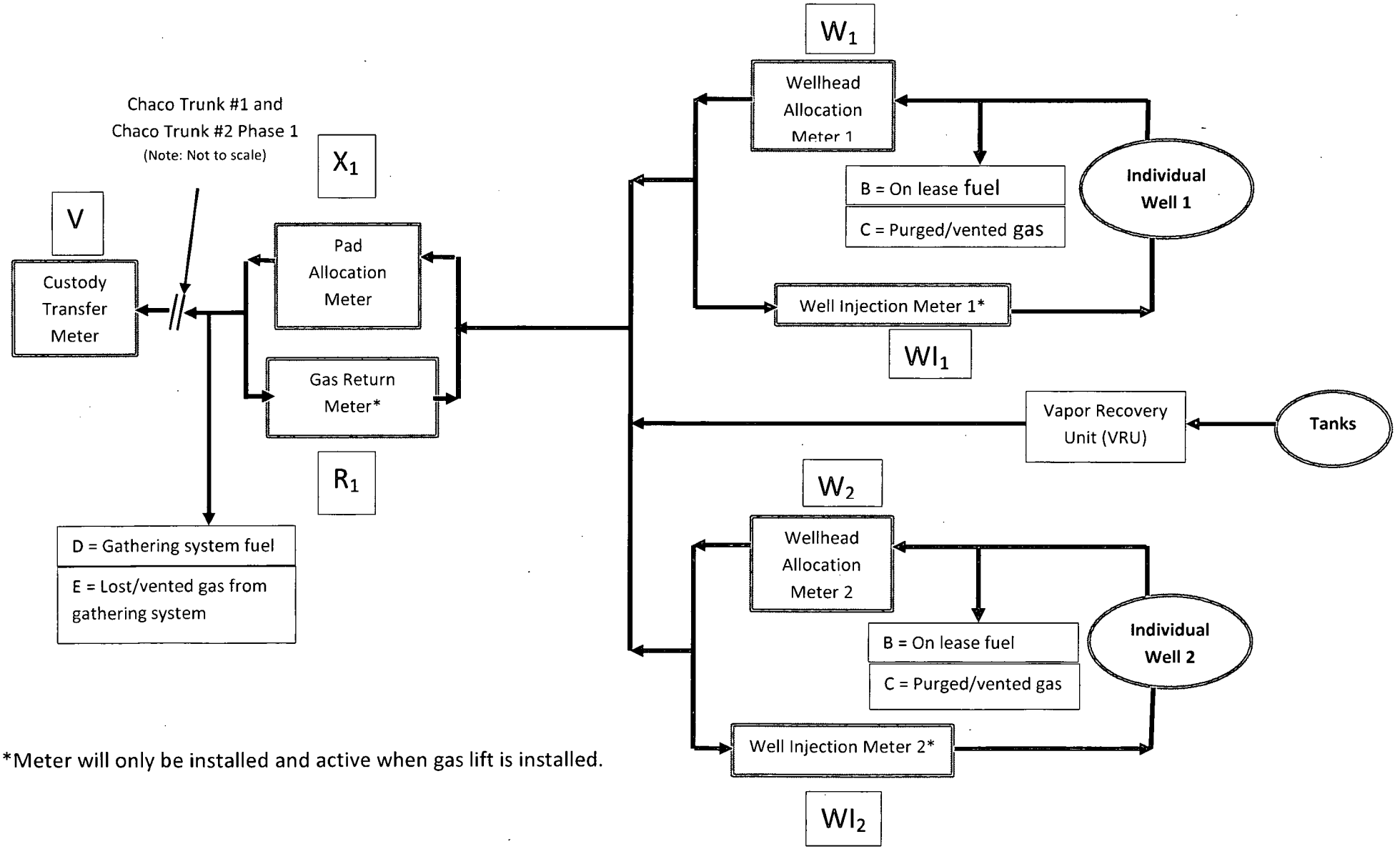
Lybrook E33-2307 01H & 02H



NOT TO SCALE

Attachment No. 5
Encana Oil & Gas (USA) Inc.
Chaco Trunk #1 and Chaco Trunk #2 Phase 1 Gathering System
San Juan and Sandoval Counties, New Mexico

Gas Measurement Allocation Procedure for Multi-Well Pads



*Meter will only be installed and active when gas lift is installed.

Attachment No. 5
Encana Oil & Gas (USA) Inc.
Chaco Trunk #1 and Chaco Trunk #2 Phase 1 Gathering System
San Juan and Sandoval Counties, New Mexico

Base Data:

V = Gas Volume (MCF) from Custody Transfer Meter during allocation period (Enterprise Products Partners)
X_x = Gas Volume (MCF) from Pad Allocation Meter during allocation period. (Encana)
R_x = Gas Volume (MCF) from Gas Return Meter at Well Pad (Encana)*
$(X_x - R_x)$ = Gas Volume (MCF) for total Well Pad Production (Encana)
W_x = Gas Volume (MCF) from Wellhead Allocation Meter at individual wells during allocation period. (Encana)
WI_x = Gas Volume (MCF) from Well Injection Meter at individual wells during allocation period. (Encana)*
Y = Heating Value (BTU/scf) from Custody Transfer Meter during allocation period. (Enterprise Products Partners)
Z = Heating Value (BTU/scf) from individual Wellhead Allocation Meter and Well Injection Meter. (Encana)

Allocation Period is typically a calendar month and will be the same for all Well Pads and individual wells.

Allocate the off lease Custody Transfer volume back to the well pad

A_{AL} = Well pad allocated volume (MCF) = $[(X_1-R_1)/((X_1-R_1)+(X_2-R_2)+(X_n-R_n))]*(V) + D + E$

Distribute (allocate) the allocated well pad production, (A_{AL}) back to each well on the pad

Gas production (MCF) allocated back to the individual wells on a Well Pad is calculated using the formula:
AL Net_n = $[(W_1-WI_1)/((W_1-WI_1)+(W_2-WI_2)+(W_n-WI_n))]* A_{AL}$

Determine the final allocated production for each well on the pad

Final allocated individual well production (MCF) = AL $Net_n + B_n + C_n$

B_n = On lease fuel usage attributed to an individual well, MCF. Determined from equipment specification and operating conditions. This includes, but is not limited to, compression, vapor recovery unit (VRU) compression, burners, and pump jacks.

C_n = Lost and/or vented gas attributed to an individual well from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the Well Pads benefiting from the equipment using allocation factors determined by $[(X_1-R_1)/((X_1-R_1)+(X_2-R_2)+(X_n-R_n))]$ and for individual wells using allocation factors determined by $[(W_1-WI_1)/((W_1-WI_1)+(W_2-WI_2)+(W_n-WI_n))]$.

E = Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the Well Pads affected using factors determined by $[(X_1-R_1)/((X_1-R_1)+(X_2-R_2)+(X_n-R_n))]$, and for individual wells using factors determined by $[(W_1-WI_1)/((W_1-WI_1)+(W_2-WI_2)+(W_n-WI_n))]$.

Individual Well BTU's = $[[\{(W_n-WI_n)*Z_n\}/\{SUM((W_n-WI_n)*Z_n)\}]*(V*Y)*1000]$
Individual well gas heating values to be determined in accordance with BLM regulations.