

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-043-21129

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
ROVD SEP 18 '14

7. Lease Name or Unit Agreement Name
Lybrook I32-2306 **OIL CONS. DIV.**

8. Well Number
01H **DIST. 3**

9. OGRID Number
282327

10. Pool name or Wildcat
Lybrook Gallup

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

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

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

4. Well Location

SHL: Unit Letter I: 1307 feet from the SOUTH line and 288 feet from the EAST line

BHL: Unit Letter L: 1920 feet from the SOUTH line and 357 feet from the WEST line

Section 32 Township 23N Range 6W NMPM Sandoval County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7101' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL. ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Emergency Flare Extension ☒

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. (Encana) completed the Lybrook I32-2306 01H well on 6/18/13. 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. This extension is requested because this well was "hit" by offset fracing. We believe the N2 used in the frac or the N2 used for the plug drillouts in the offset wells may have been contaminated with O2 and it migrated to our wells during the downhole operations, causing a high reading of O2 (2800 ppm) and pipeline will not accept gas in excess of 10 ppm.

The Lybrook I32-2306 01H is capable of producing 1049 mcf/d (61%N2, 518 BTU), 16 bopd. Production prior to being hit by the frac was 636 mcf/d, 41 bopd.

The only way we can return these wells to production is to be able to flare the gas to clean it up. We expect this to take no more than 30 days.

Attached is a current Gas Analysis Report.

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

SIGNATURE Cristi Bauer TITLE Engineering Technician DATE 9/16/14

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

For State Use Only
APPROVED BY: Charles TITLE SUPERVISOR DISTRICT # 3 DATE 9-22-14

Conditions of Approval (if any):



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

Analysis No: EC140320
Cust No: 25150-11095

Well/Lease Information

Customer Name: ENCANA OIL & GAS
Well Name: LYBROOK I32-2306 #01H
County/State: SANDOVAL NM
Location: I32-23N-06W
Field:
Formation:
Cust. Stn. No.: 550100570
AFE# 71186

Source:
Pressure: 664 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 09/10/2014
Sampled By: BOB DURBIN
Foreman/Engr.:

Remarks: SAMPLED @ WELLHEAD TUBING

Analysis

Component::	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	60.693	6.6840	0.00	0.5870
CO2	0.267	0.0460	0.00	0.0041
Methane	28.933	4.9100	292.22	0.1603
Ethane	5.274	1.4120	93.33	0.0548
Propane	3.024	0.8340	76.09	0.0460
Iso-Butane	0.357	0.1170	11.61	0.0072
N-Butane	0.939	0.2960	30.63	0.0188
I-Pentane	0.220	0.0810	8.80	0.0055
N-Pentane	0.195	0.0710	7.82	0.0049
Hexane Plus	0.098	0.0440	5.17	0.0032
Total	100.000	14.4950	525.67	0.8917

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0013
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 527.6
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 518.4
REAL SPECIFIC GRAVITY: 0.8925

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

DRY BTU @ 14.650: 524.7
DRY BTU @ 14.696: 526.4
DRY BTU @ 14.730: 527.6
DRY BTU @ 15.025: 538.2

CYLINDER #: 6033
CYLINDER PRESSURE: 645 PSIG
DATE RUN: 9/11/14 8:14 AM
ANALYSIS RUN BY: JENNIFER DEAN



ENCANA OIL & GAS
WELL ANALYSIS COMPARISON

Lease: LYBROOK I32-2306 #01H
Stn. No.: 550100570
Mtr. No.: AFE# 71186

09/11/2014
25150-11095

Smpl Date:	09/10/2014	09/02/2014	08/01/2014	07/01/2014	06/02/2014	05/01/2014	04/07/2014
Test Date:	09/11/2014	09/04/2014	08/06/2014	07/07/2014	06/09/2014	05/21/2014	04/21/2014
Run No:	EC140320	EC140313	EC140266	EC140222	EC140187	EC140162	EC140122
Nitrogen:	60.693	66.086	3.361	4.787	4.752	0.115	3.742
CO2:	0.267	0.192	0.323	0.324	0.300	0.354	0.304
Methane:	28.933	24.477	71.917	69.669	72.411	14.939	67.380
Ethane:	5.274	4.397	13.490	13.492	12.666	66.507	15.389
Propane:	3.024	2.892	7.578	8.087	7.308	0.000	9.486
I-Butane:	0.357	0.346	0.789	0.865	0.650	3.574	0.967
N-Butane:	0.939	0.904	1.722	1.867	1.296	0.020	1.964
I-Pentane:	0.220	0.219	0.331	0.343	0.238	6.929	0.299
N-Pentane:	0.195	0.212	0.284	0.281	0.200	5.538	0.236
Hexane+:	0.098	0.275	0.205	0.285	0.179	2.024	0.233
BTU:	527.6	472.0	1280.8	1282.9	1237.1	2080.1	1329.4
GPM:	14.4950	14.1170	19.4970	19.5260	19.1750	27.3280	19.9290
SPG:	0.8925	0.9130	0.7663	0.7829	0.7527	1.2437	0.8011
	03/17/2014	02/11/2014	01/31/2014	01/15/2014	12/09/2013	10/28/2013	10/07/2013
	04/01/2014	02/26/2014	02/03/2014	01/30/2014	12/26/2013	11/19/2013	10/15/2013
	EC140085	EC140051	EC140034	EC140019	EC130235	EC130212	EC130187
	5.411	12.564	9.347	7.795	7.288	8.979	10.315
	0.275	0.261	0.293	0.292	0.276	0.279	0.282
	63.617	52.098	68.302	70.040	63.971	69.660	66.711
	15.945	15.411	13.568	13.058	14.077	12.000	12.215
	10.202	13.025	6.372	6.455	9.675	6.472	7.156
	1.094	1.611	0.561	0.577	1.136	0.642	0.774
	2.333	3.545	1.109	1.156	2.494	1.342	1.665
	0.424	0.565	0.177	0.204	0.448	0.242	0.314
	0.346	0.438	0.143	0.173	0.364	0.201	0.270
	0.353	0.482	0.128	0.250	0.271	0.183	0.298
	1351.6	1370.1	1170.8	1192.5	1312.3	1177.4	1195.5
	20.1200	20.2900	18.8060	18.9130	19.7750	18.7700	18.9150
	0.8327	0.9209	0.7590	0.7563	0.8277	0.7592	0.7851



ENCANA OIL & GAS
WELL ANALYSIS COMPARISON

Lease: LYBROOK I32-2306 #01H
 Stn. No.: 550100570
 Mtr. No.: AFE# 71186

09/11/2014
 25150-11095

09/23/2013	09/13/2013	09/06/2013	07/17/2013	07/11/2013
10/07/2013	09/19/2013	09/09/2013	07/18/2013	07/12/2013
EC130175	EC130160	EC130148	EC130099	EC130093
12.078	17.426	24.615	28.747	44.443
0.276	0.255	0.232	0.208	0.172
66.711	61.595	54.867	44.921	37.418
11.710	11.302	10.808	10.543	7.702
6.422	6.469	6.469	8.727	5.788
0.664	0.685	0.693	1.247	0.799
1.415	1.469	1.477	3.057	1.973
0.261	0.288	0.293	0.781	0.526
0.220	0.246	0.254	0.719	0.491
0.243	0.265	0.292	1.050	0.688
1148.7	1096.4	1021.4	1122.3	831.1
18.5880	18.2600	17.7900	18.4890	16.5110
0.7738	0.7969	0.8250	0.9339	0.9134