CONFIDENTIAL

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

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

JAN 20 2015

1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other	5. Lease Serial No. NMNM 17009; NMNM 118128;V0 9212
	6. If Indian, Allottee or Tribe Name N/A
	7. If Unit of CA/Agreement, Name and/or No. NMNM 131017X
	8. Well Name and No. Gallo Canyon Unit O27-2306 01H
2. Name of Operator Encana Oil & Gas (USA) Inc.	9. API Well No. 30-043-21206
3a. Address 370 17th Street, Suite 1700 Denver, CO 80202	3b. Phone No. *(include area code)* 720-876-5867
	10. Field and Pool or Exploratory Area Counselors Gallup-Dakota
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* SHL: 26' FSL and 2044' FEL Section 27, T23N, R6W BHL: 330' FSL and 2525' FWL Section 35, T23N, R6W	11. County or Parish, State Sandoval County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Remediation work
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Please see the attached, documenting remediation work done on the Gallo Canyon Unit O27-2306 01H.

RECEIVED
JAN 28 2015
NMOCD
DISTRICT III

ACCEPTED FOR RECORD
JAN 27 2015
FARMINGTON FIELD OFFICE
BY: William Tambekou

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)* Cristi Bauer	Title Operations Technician
Signature Cristi Bauer	Date 1/19/15

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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)

NMOCD

Encana Oil & Gas (USA) Inc.

Gallo Canyon Unit O27-2306-01H

API No. 30-043-21206

Surface - 26' FSL & 2044' FEL Section 27, T23N, R68W

Sandavol County, NM

Encana Oil & Gas (USA) Inc. (Encana) determined that the Gallo Canyon Unit O27-2306 01H (API No. 30-043-21606) had a hole in the 7" Intermediate casing. The hole was discovered while preparing the well for completions, fracture stimulation, operations.

Listed is wellbore data, a summary of events leading up to determining that the 7" intermediate casing had a hole and the remediation operations.

WELL BORE DATA:

Surface:

Hole size: 12-1/4"

Casing: 9-5/8", 36 ppf, J-55, LT&C. ID – 8.921". Set at 526 ft.

Cement: 247 sacks Type III cement. (Wt. 15.8 ppg, yield 1.17 ft^3/sack) Cement to surface.

Intermediate:

Hole size: 8-3/4"

Casing: 7", 26 ppf, J-55, LT&C. ID - 6.276". Set at 5504 ft.

Cement: Lead - 471 sacks Premium Lite FM (Wt. 12.10 ppg, yield 2.13 ft^3/sack). Tail – 360 sacks Type III (Wt. 14.6 ppg, yield 1.38 ft^3/sack). 67 bbls. cement circulated to surface .

Production Liner:

Hole size: 6-1/8"

Casing: 4-1/2", 11.6 ppf., S-80, LT&C. ID – 4.0"

Set at 11,930 ft. Top of liner at 5357 ft.

Cement: 431 sacks Premium Lite High Strength FM (Wt. 13.5 ppg, yield 2.63)

Tubing:

2-3/8", 4.7 ppf., J-55, PH-6, EUE 8rd. ID - 1.995"

SEQUENCE OF EVENTS

01-05-2015

Trip in the hole with PBR polishing mill and 2-3/8" tubing. The tubing string stacked out at 2450 ft.

Trip out of the hole.

Picked up a mill and tripped in the hole. Mill from 2450 ft. to 2452 ft. Returns showed a minor amount of soft cement and metal. Clean out below suspected hole.

Load 7" intermediate casing. Pressure up to 1500 psig. Pressure held for a few minutes and then fell off to 100 psig.

01-06-2015

Pick up and run in the hole on wireline a retrievable bridge plug. Set the plug at 5350 ft. Attempt to pressure test the 7" casing. Pump down the casing at 2 barrels per minute at 650 psig.

01-07-2015 through 01-09-2015

Circulate down to the top of the liner. Polish off the top of the liner. Clean out inside liner to 11915 ft.

01-10-2015

Make up a 7" Baker packer and trip in the hole to 2491 ft. Set the packer and pressure test below the packer (2491 ft. to 5350 ft.) to 1500 psig, good test. Attempt to test down the backside (between the tubing and the casing). Pump into the backside at 2 barrels per minute and 650 psig.

Reset the packer at 2428 ft. and test the backside to 1500 psi, good test.

Reset the packer at 2460 ft. and attempt to pump down the backside. Pump into the backside at 2 barrels per minute and 700 psig.

NOTE: Hole in 7" intermediate casing isolated between 2420 ft. and 2460 ft.

Dump sand on the RBP at 5350 ft.

Make up 7" packer and run in the hole with tubing. Set the packer at 2128 ft.

01-11-2015

Move in and rig up Baker Hughes. Mix and pump 20 barrels of fresh water ahead followed by 400 sacks of class G cement (Wt. 15.8 ppg., yield 1.15 ft^3/sack). Last 100 sacks had LCM fiber mixed in it. Pump cement at 1.5 barrels per minute at 265 psig. Displace cement with 13.2 barrels water (tubing displacement -12.7 barrels). Pressure increased to 580 psig. Wash up pump and lines. Pump down the tubing a 0.25 barrel and the pressure increased to 1000 psig. The pressure bled back to 445 psig. Shut-in well to wait on cement at 14:00 hrs., 01-10-2015.

01-12-2015

Release packer and trip out of hole.

Trip in the hole with bit and tagged up at 2216 ft. (98 ft. below where the packer was set).

Drill cement from 2216 ft. to 2552 ft., 336 ft. of cement inside 7" casing

Trip out of the hole.

01-13-2015

Rig up Cameron and pressure test 7" casing to 250 psi low and 1000 psig high for 30 minutes. Pressure bled off 60 psig, from 1000 psig to 940 psig.

Re-pressure test 7"casing with 1000 pound spring. Pressure up to 595 psig, pressure bled off to 560 psig and leveled off, good test. Test witness by Mark Wilson with the NMOCD.

Circulate sand off RBP. POOH & laid down BP.

Rig up & ran 4 1/2" casing.

01-14-2015

Pressure test 4-1/2" casing string with Cameron to 4000 psig for 30 minutes, good test.