

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 2-5-15

Well information;

Operator Encana, Well Name and Number Gallo Canyon Unit E26 2306 #3H

API# 30-043-21261, Section 26, Township 23 N/S, Range 6 E/W

Conditions of Approval:

(See the below checked and handwritten conditions)

- Notify Aztec OCD 24hrs prior to casing & cement.
- Hold C-104 for directional survey & "As Drilled" Plat
- Hold C-104 for NSL, NSP, DHC
- Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

*APD Held for
name change
see Sunday

Charlie Herron
NMOCD Approved by Signature

8-12-2015
Date KC

JUN 15 2015

RECEIVED

FEB 06 2015

Form 3160-3 (March 2012)

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

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. NMNM118128 Gallo Canyon Unit NMNM 131017X

6. If Indian, Allottee or Tribe Name N/A

1a. Type of work: [X] DRILL [] REENTER

7. If Unit or CA Agreement, Name and No. Gallo Canyon Unit NMNM 131017X

1b. Type of Well: [X] Oil Well [] Gas Well [] Other [X] Single Zone [] Multiple Zone

8. Lease Name and Well No. Gallo Canyon Unit E26-2306 03H

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

9. API Well No. 30-043-21261

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

3b. Phone No. (include area code) 720-876-3740

10. Field and Pool, or Exploratory Counselors Gallup-Dakota

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface 1991' FNL and 850' FWL, Section 26, T23N, R6W SWNW SHL

At proposed prod. zone 680' FNL and 1570' FEL, Section 35, T23N, R6W NWNE BHL Sec 35, T23N, R6W

11. Sec., T. R. M. or Blk. and Survey or Area Section 26, T23N, R6W NMPM

14. Distance in miles and direction from nearest town or post office* +/- 57.1 miles South from the intersection of HWY 64 & US HWY 550 from Bloomfield, NM

12. County or Parish Sandoval 13. State NM

15. Distance from proposed* location to nearest property or lease line, ft. POE is 330' FWL Section 26, T23N, R6W (Also to nearest drig. unit line, if any)

16. No. of acres in lease NMNM 131017X- 5,120-acres NMNM 118128

17. Spacing Unit dedicated to this well 5,120 acres- Sections 22-26 and 34-36, T23N, R6W

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. SHL is +/-30' N of Lybrook E26-2306 02H

19. Proposed Depth 5,586' TVD; 11,162' MD

20. BLM/BIA Bond No. on file COB-000235

21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,082' GL; 7,098' KB

22. Approximate date work will start* 07/01/2015

23. Estimated duration 20 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature Rosalie Thim

Name (Printed/Typed) Rosalie Thim

Date 2/5/15

Title Regulatory Analyst

Approved by (Signature) [Signature]

Name (Printed/Typed)

Date 6/11/15

Title AFN

Office FFO

Application approval 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. Conditions of approval, if any, are attached.

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.

(Continued on page 2)

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

BLM'S APPROVAL OR ACCEPTANCE OF THIS APPLICATION DOES NOT REPRESENT THE BUREAU OF LAND MANAGEMENT'S AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

NMOSD TV

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DISTRICT I
1626 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-8161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Artec, N.M. 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506
Phone: (505) 476-3480 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

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

RECEIVED

Submit one copy to appropriate
District Office

FEB 06 2015

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-043-21261	² Pool Code 13379	³ Pool Name COUNSELORS GALLUP-DAKOTA
⁴ Property Code 315083	⁵ Property Name GALLO CANYON UNIT E26-2306	
⁶ Well Number 205H.03H	⁷ Operator Name ENCANA OIL & GAS (USA) INC.	
⁸ GRID No. 282327	⁹ Elevation 7081.5'	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	26	23N	6W		1991'	NORTH	850'	WEST	SANDOVAL

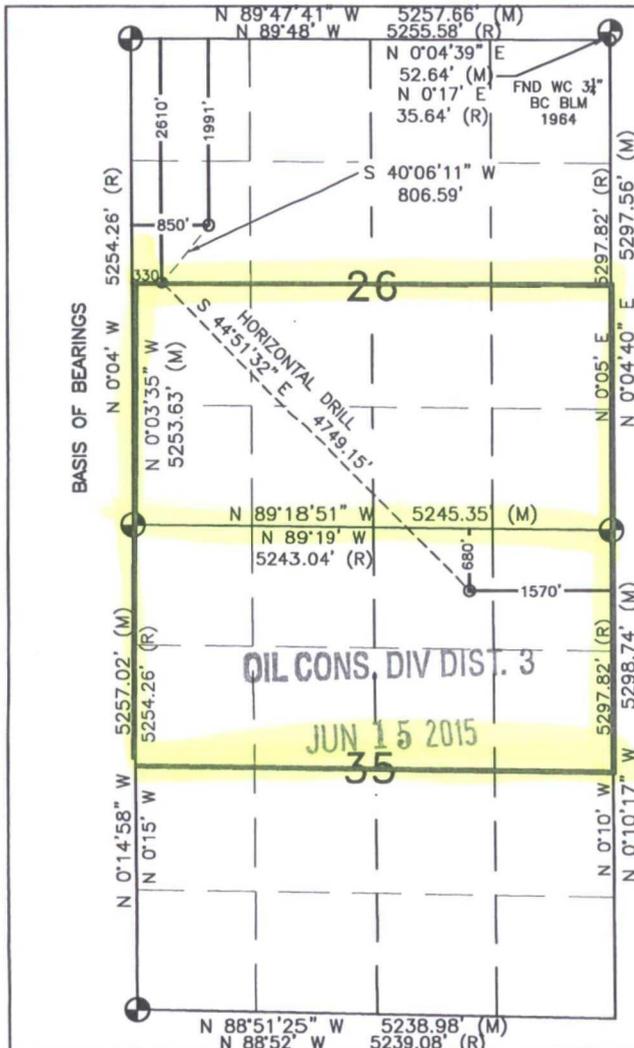
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	23N	6W		680'	NORTH	1570'	EAST	SANDOVAL

¹² Dedicated Acres PROJECT AREA PENETRATED SPACING UNITS: S/2 of SEC 26, N/2 OF SEC 35, T23N, R6W 640 Acres 5,120 ACRES - ALL OF SEC 22-26; 34-36 T23N R6W - UNDIVIDED UNIT	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-13718-A (5,120 ACRES)
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



WELL FLAG
LAT. 36.197966° N (NAD83)
LONG. 107.443796° W (NAD83)
LAT. 36.197952° N (NAD27)
LONG. 107.443192° W (NAD27)

ENTRY POINT
LAT. 36.196272° N (NAD83)
LONG. 107.445557° W (NAD83)
LAT. 36.196258° N (NAD27)
LONG. 107.444953° W (NAD27)

BOTTOM HOLE
LAT. 36.187026° N (NAD83)
LONG. 107.434211° W (NAD83)
LAT. 36.187012° N (NAD27)
LONG. 107.433607° W (NAD27)

NORTHWEST CORNER SEC. 35
LAT. 36.189016° N (NAD83)
LONG. 107.446667° W (NAD83)
LAT. 36.189002° N (NAD27)
LONG. 107.446063° W (NAD27)

NORTHEAST CORNER SEC. 35
LAT. 36.188841° N (NAD83)
LONG. 107.428900° W (NAD83)
LAT. 36.188827° N (NAD27)
LONG. 107.428296° W (NAD27)

SOUTHWEST CORNER SEC. 35
LAT. 36.174581° N (NAD83)
LONG. 107.446592° W (NAD83)
LAT. 36.174567° N (NAD27)
LONG. 107.445988° W (NAD27)

SOUTHEAST CORNER SEC. 35
LAT. 36.174291° N (NAD83)
LONG. 107.428852° W (NAD83)
LAT. 36.174277° N (NAD27)
LONG. 107.428248° W (NAD27)

ALL CORNERS
FND 3/4" BC
BLM 1964

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Rosalie Thim 2/5/15
Signature Date

Rosalie Thim
Printed Name

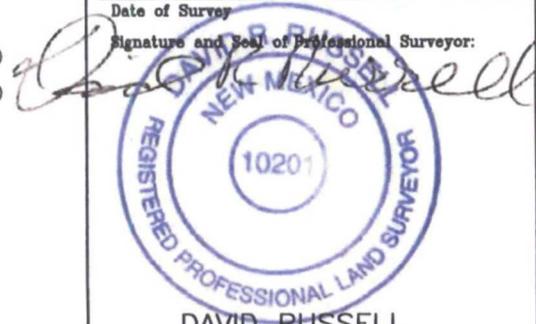
rosalie.thim@encana.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 1, 2014

Date of Survey
Signature and Seal of Professional Surveyor:



DAVID RUSSELL
Certificate Number 10201

GCU E26-2306 03H

SHL: 1991' FNL, 850' FWL Sec 26 T23N R06W

BHL: 680' FNL, 1570' FEL Sec 35 T23N R06W

Sandoval, New Mexico

**Encana Oil & Gas (USA) Inc.
Drilling Plan**

1. ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD) units = feet
San Jose Fn.	n/a
Nacimiento Fn.	surface
Ojo Alamo Ss.	1,555
Kirtland Shale	1,669
Fruitland Coal	1,841
Pictured Cliffs Ss.	2,100
Lewis Shale	2,221
Cliffhouse Ss.	2,909
Menefee Fn.	3,619
Point Lookout Ss.	4,327
Mancos Shale	4,525
Mancos Silt	5,117
Gallup Fn.	5,364
Base Gallup	5,676

The referenced surface elevation is 7082', KB 7098'

**2. ESTIMATED DEPTH OF POTENTIAL WATER, OIL, GAS,
& OTHER MINERAL BEARING FORMATIONS**

Substance	Formation	Depth (TVD) units = feet
Water/Gas	Fruitland Coal	1,841
Oil/Gas	Pictured Cliffs Ss.	2,100
Oil/Gas	Cliffhouse Ss.	2,909
Gas	Menefee Fn.	3,619
Oil/Gas	Point Lookout Ss.	4,327
Oil/Gas	Mancos Shale	4,525
Oil/Gas	Mancos Silt	5,117
Oil/Gas	Gallup Fn.	5,364

All shows of fresh water and minerals will be reported and protected.

GCU E26-2306 03H

SHL: 1991' FNL, 850' FWL Sec 26 T23N R06W

BHL: 680' FNL, 1570' FEL Sec 35 T23N R06W

Sandoval, New Mexico

3. PRESSURE CONTROL

- a) Pressure control equipment and configuration will be designed to meet 2M standards.
- b) Working pressure on rams and BOPE will be 3,000 psi.
- c) Function test and visual inspection of the BOP will be conducted daily and noted in the IADC Daily Drilling Report.
- d) The Annular BOP will be pressure tested to a minimum of 50 percent of its rated working pressure.
- e) Blind and Pipe Rams/BOP will be tested against a test plug to 100 percent of rated working pressure.
- f) Pressure tests are required before drilling out from under all casing strings set and cemented in place.
- g) BOP controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned.
- h) BOP testing procedures and testing frequency will conform to Onshore Order No. 2.
- i) BOP remote controls shall be located on the rig floor at a location readily accessible to the driller. Master controls shall be on the ground at the accumulator and shall have the capability to function all preventers.
- j) The kill line shall be 2-inch minimum and contain two kill line valves, one of which shall be a check valve.
- k) The choke line shall be a 2-inch minimum and contain two choke line valves (2-inch minimum).
- l) The choke and manifold shall contain two adjustable chokes.
- m) Hand wheels shall be installed on all ram preventers.
- n) Safety valves and wrenches (with subs for drill string connections) shall be available on the rig floor at all times.
- o) Inside BOP or float sub shall also be available on the rig floor at all times.

Proposed BOP and choke manifold arrangements are attached.

4. CASING & CEMENTING PROGRAM

The proposed casing and cementing program has been designed to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. All indications of useable water shall be reported.

- a) The proposed casing design is as follows:

Casing	Depth (MD)	Hole Size	Csg Size	Weight	Grade
Conductor	0'-60'	26"	16"	42.09#	
Surface	0'-500'	12 1/4"	9 5/8"	36#	J55, STC New
Intermediate	0'-5908'	8 3/4"	7"	26#	J55, LTC New
Production Liner	5808'-11162'	6 1/8"	4 1/2"	11.6#	B80*, LTC New

Casing String				Casing Strength Properties			Minimum Design Factors		
Size	Weight (ppf)	Grade	Connection	Collapse (psi)	Burst (psi)	Tensile (1000lbs)	Collapse	Burst	Tension
9 5/8"	36	J55	STC	2020	3520	394	1.125	1.1	1.5
7"	26	J55	LTC	4320	4980	367	1.125	1.1	1.5
4.5"	11.6	B80	LTC	6350	7780	201	1.125	1.1	1.5

*B80 pipe specifications are attached

Casing design is subject to revision based on geologic conditions encountered

GCU E26-2306 03H

SHL: 1991' FNL, 850' FWL Sec 26 T23N R06W

BHL: 680' FNL, 1570' FEL Sec 35 T23N R06W

Sandoval, New Mexico

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1,500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

b) The proposed cementing program is as follows

Casing	Depth (MD)	Cement Volume (sacks)	Cement Type & Yield	Designed TOC	Centralizers
Conductor	0'-60'	100 sks	Type I Neat 16 ppg	Surface	None
Surface	0'-500'	276 sks	Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52A + 58.9% Fresh Water	Surface	1 per joint on bottom 3 joints
Intermediate	0'-5908'	100% open hole excess Stage 1 Lead: 788 sks Stage 1 Tail: 591 sks	Lead: PremLite + 3% CaCl + 0.25lb/sk CelloFlake + 5lb/sk LCM, 12.1ppg 2.13cuft/sk Tail: Type III Cmt + 1% CaCl + 0.25lb/sk Cello Flake 14.5ppg 1.38cuft/sk	Surface	1 every 3 joints through water bearing zones
Production Liner	5808'- 11162'	50% OH excess Stage 1 Blend Total: 302sks	Blend: Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwoc Potassium Chloride + 0.25lbs/sack Cello Flake + 0.5% bwoc CD-32 + 1.15% bwoc FL- 52A + 60 lbs/sack Calcium Carbonate + 124.4% Fresh Water. Yield 2.63 cuft/sk	Liner Hanger	N/A

Actual volumes will be calculated and determined by conditions onsite. All cement slurries will meet or exceed minimum BLM and New Mexico Oil Conservation Division requirements. Slurries used will be the slurries listed above or equivalent slurries depending on service provider selected. Cement yields may change depending on slurries selected

All waiting on cement times shall be a minimum of 8 hours or adequate to achieve minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. WELL PLAN & DIRECTIONAL DRILLING PROGRAM

The proposed horizontal well will have a kick off point of 4126'. Directional plans are attached.

Description	Proposed Depth (TVD/MD)	Formation
Horizontal Lateral TD	5586'/11162'	Gallup

GCU E26-2306 03H

SHL: 1991' FNL, 850' FWL Sec 26 T23N R06W

BHL: 680' FNL, 1570' FEL Sec 35 T23N R06W

Sandoval, New Mexico

6. DRILLING FLUIDS PROGRAM

a) Surface through Intermediate Casing Point:

Hole Size (in)	Depth (TVD/MD)	Mud Type	Density (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
30"	0-60'/60'	Fresh Water	8.3-9.2	38-100	4-28
12 1/4"	0'-500'/500'	Fresh Water	8.3-10	60-70	NC
8 3/4"	500'/500'-5468'/5908'	Fresh Water LSND	8.3-10	40-50	8-10

b) Intermediate Casing Point to TD:

Hole Size (in)	Depth (TVD/MD)	Mud Type	Density (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
6 1/8"	5468'/5908'- 5586'/11162'	Fresh Water LSND	8.3-10	15-25	<15

c) There will be sufficient mud on location to control a blowout should one occur. Mud flow and volume will be monitored both visually and with electronic pit volume totalizers. Mud tests shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

✓d) A closed-loop system will be used to recover drilling fluid and dry cuttings in both phases of the well and on all hole intervals. Above-ground tanks will be utilized to hold cuttings and fluids for rig operations. A frac tank will be on location to store fresh water. Waste will be disposed of properly at an EPA-approved hazardous waste facility. Fresh water cuttings will be disposed of at Basin Disposal, Inc. and/or Industrial Ecosystems, Inc. The location will be lined in accordance with the Surface Use Plan of Operations.

7. TESTING, CORING, & LOGGING

- a) Drill Stem Testing - None anticipated.
- b) Coring - None anticipated.
- c) Mudd Logging - Mud loggers will be on location from kick off point to TD.
- d) Logging - See below

Cased Hole:

CBL/CCL/GR/VDL will be run as needed for perforating control

8. ABNORMAL PRESSURES & HYDROGEN SULFIDE

The anticipated bottom hole pressure is +/- 2630 psi based on a 9.0 ppg at 5620' TVD of the horizontal lateral target. No abnormal pressure or temperatures are anticipated.

No hydrogen sulfide gas is anticipated, however, if H₂S is encountered, the guidelines in Onshore Order No. 6 will be followed.

9. ANTICIPATED START DATE AND DURATION OF OPERATIONS

Drilling is estimated to commence on July 1, 2015. It is anticipated that completion operations will begin within 30 days after the well has been drilled depending on fracture treatment schedules with various pumping service companies.

It is anticipated that the drilling of this well will take approximately 20 days.

LOC: 1991' FNL, 850' FWL Sec 26 T23N R06		Encana Natural Gas				ENG: Michael Sanch 1-30-15		
County: Sandoval		WELL SUMMARY				RIG: Aztec 950		
WELL: GCU E26-2306 03H						GLE: 7081.5		
						RKBE: 7097.5		
MWD LWD	OPEN HOLE LOGGING	FORM	DEPTH		HOLE SIZE	CASING SPECS	MW MUD TYPE	DEVIATION INFORMATION
			TVD	MD				
			60	60'		16" 42.09# 100sx Type I Neat 16.0ppg cmt	Fresh wtr 8.3-9.2	
Multi-Well pad take survey every stand and run anti-collision report prior to spud	None	San Jose Fn. Nacimiento Fn. 9 5/8" Csg	0 surface 500	500.00	26 12 1/4	9 5/8" 36ppf J55 STC TOC Surface with 100% OH Excess: 276 sks Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52A + 58.9% Fresh Water.	Fresh wtr 8.3-10	Vertical <1°
Survey Every 60'-120', updating anticollision report after surveys. Stop operations and contact drilling engineer if separation factor approaches 1.5	No OH logs	Ojo Alamo Ss. Kirtland Shale Fruitland Coal Pictured Cliffs Ss. Lewis Shale Cliffhouse Ss. Menefee Fn. Point Lookout Ss. Mancos Shale	1,555 1,669 1,841 2,100 2,221 2,909 3,619 4,327 4,525		8 3/4	7" 26ppf J55 LTC TOC @ surface (100% OH excess - 70% Lead 30% Tail) Stage 1 Total: 1379sks Stage 1 Lead: 788 sks Premium Lite FM + 3% CaCl2 + 0.25/sk Cello Flake + 5#/sk LCM-1 + 8% Bentonite + 0.4% FL-52A + 0.4% Sodium Metasilicate. Mixed at 12.1 ppg. Yield 2.13 cuft/sk. Stage 1 Tail: 591 sks Type III Cement + 1% CaCl2 + 0.25#/sk Cello Flake + 0.2% FL-52A. Mixed at 14.6 ppg. Yield 1.38 cuft/sk.	Fresh Wtr 8.3-10	Vertical <1°
Surveys every 30' through the curve	Mud logger onsite	KOP Mancos Silt Gallup Fn. 7" Csg	4,126 5,117 5,364 5,468	4,126 5,908'				
Surveys every TD unless directed otherwise by Geologist	No OH Logs	Horizontal Target TD Base Gallup	5,620 5,586 5,676	11,162	6 1/8	100' overlap at liner top 5253' Drilled Lateral		Horz Inc/TVD 90.4deg/5619.5ft TD = 11161.6 MD
MWD Gamma Directional						4 1/2" 11.6ppf SB80 LTC TOC @ hanger (50% OH excess) Stage 1 Total: 302sks Stage 1 Blend: 302 sks Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwow Potassium Chloride + 0.25lbs/sack Cello Flake + 0.5% bwoc CD-32 + 1.15% bwoc FL- 52A + 60 lbs/sack Calcium Carbonate + 124.4% Fresh Water. Yield 2.63 cuft/sk.	WBM 8.3-10	

NOTES:

- 1) Drill with 26" bit to 60', set 16" 42.09ppf conductor pipe
- 2) Drill surface to 500', R&C 9 5/8" casing
- 3) N/U BOP and surface equipment
- 4) Drill to KOP of 4126', 8 3/4 inch holesize
- 5) Start curve at 10deg/100' build rate
- 6) Drill to csg point of 5908' MD
- 7) R&C 7" csg, circ cmt to surface
- 8) Land at ~90 deg, drill lateral to 11162' run 4 1/2 inch cemented liner

JUN 15 2015

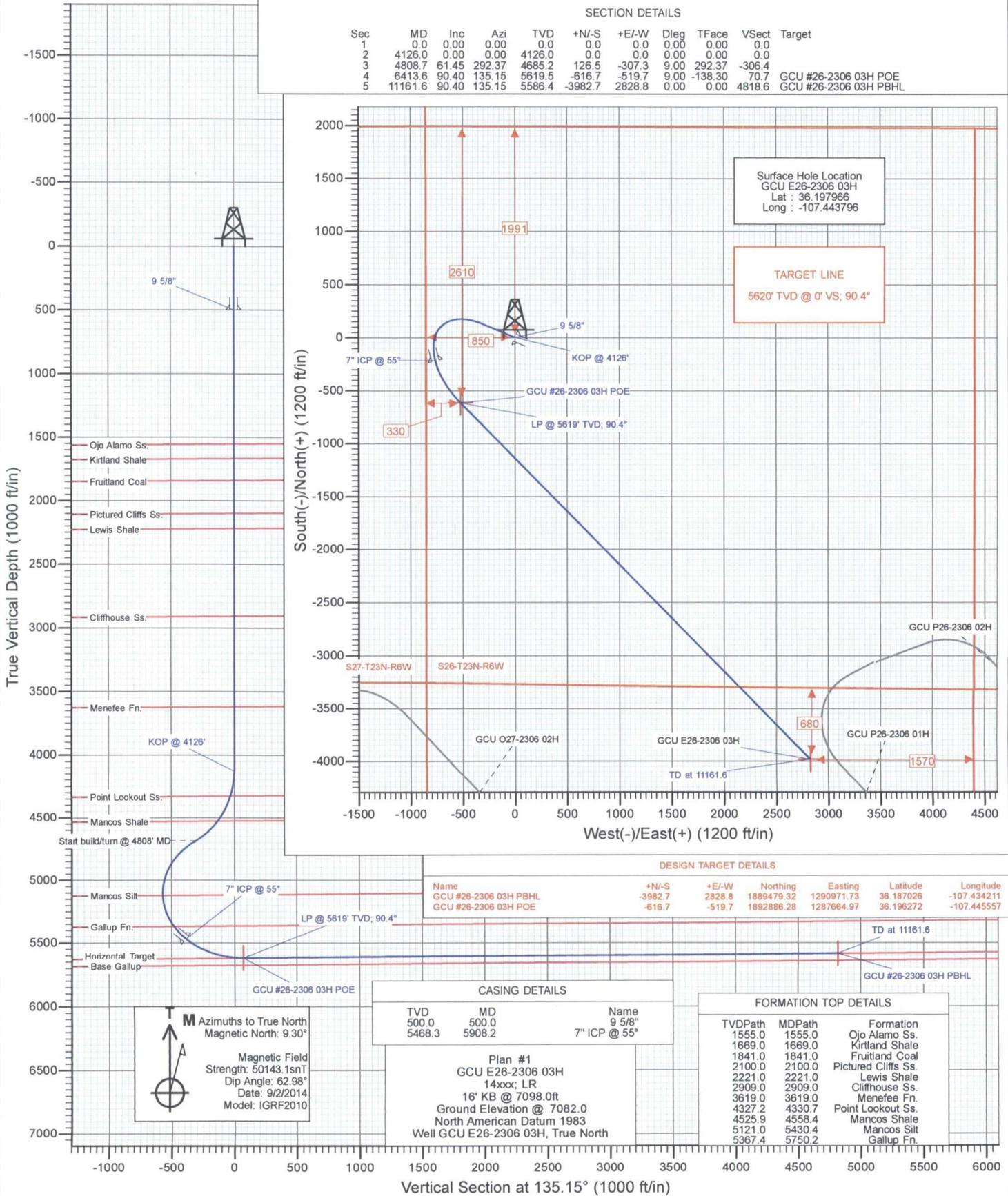


Project: Sandoval County, NM
 Site: S26-T23N-R6W
 Well: GCU E26-2306 03H
 Wellbore: HZ
 Design: Plan #1



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	4126.0	0.00	0.00	4126.0	0.0	0.0	0.00	0.00	0.0	
3	4808.7	61.45	292.37	4685.2	126.5	-307.3	9.00	292.37	-306.4	
4	6413.6	90.40	135.15	5619.5	-616.7	-519.7	9.00	-138.30	70.7	GCU #26-2306 03H POE
5	11161.6	90.40	135.15	5586.4	-3982.7	2828.8	0.00	0.00	4818.6	GCU #26-2306 03H PBHL



Surface Hole Location
 GCU E26-2306 03H
 Lat : 36.197966
 Long : -107.443796

TARGET LINE
 5620' TVD @ 0' VS; 90.4°

DESIGN TARGET DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
GCU #26-2306 03H PBHL	-3982.7	2828.8	1889479.32	1290971.73	36.187026	-107.434211
GCU #26-2306 03H POE	-616.7	-519.7	1892886.28	1287664.97	36.196272	-107.445557

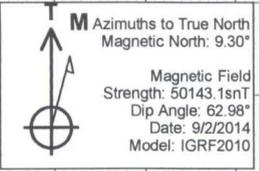
CASING DETAILS

TVD	MD	Name
500.0	500.0	9 5/8"
5468.3	5908.2	7" ICP @ 55°

FORMATION TOP DETAILS

TVDP	MDP	Formation
1555.0	1555.0	Ojo Alamo Ss.
1669.0	1669.0	Kirtland Shale
1841.0	1841.0	Fruitland Coal
2100.0	2100.0	Pictured Cliffs Ss.
2221.0	2221.0	Lewis Shale
2909.0	2909.0	Cliffhouse Ss.
3619.0	3619.0	Menefee Fn.
4327.2	4330.7	Point Lookout Ss.
4525.9	4558.4	Mancos Shale
5121.0	5430.4	Mancos Silt
5367.4	5750.2	Gallup Fn.

Plan #1
 GCU E26-2306 03H
 14xxx; LR
 16" KB @ 7098.0ft
 Ground Elevation @ 7082.0
 North American Datum 1983
 Well GCU E26-2306 03H, True North



Vertical Section at 135.15° (1000 ft/in)

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well GCU E26-2306 03H
Company:	EnCana Oil & Gas (USA) Inc	TVD Reference:	16' KB @ 7098.0ft
Project:	Sandoval County, NM	MD Reference:	16' KB @ 7098.0ft
Site:	S26-T23N-R6W	North Reference:	True
Well:	GCU E26-2306 03H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #1		

Project	Sandoval County, NM		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Central Zone		

Site	S26-T23N-R6W				
Site Position:		Northing:	1,890,393.73 ft	Latitude:	36.189558
From:	Lat/Long	Easting:	1,291,584.38 ft	Longitude:	-107.432173
Position Uncertainty:	0.0 ft	Slot Radius:	13.200 in	Grid Convergence:	-0.70 °

Well	GCU E26-2306 03H					
Well Position	+N/-S	0.0 ft	Northing:	1,893,496.56 ft	Latitude:	36.197966
	+E/-W	0.0 ft	Easting:	1,288,192.18 ft	Longitude:	-107.443796
Position Uncertainty		0.0 ft	Wellhead Elevation:	0.0 ft	Ground Level:	7,082.0 ft

Wellbore	HZ				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	9/2/2014	9.30	62.98	50,143

Design	Plan #1				
Audit Notes:					
Version:	Phase:	PLAN	Tie On Depth:	0.0	
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)	
	0.0	0.0	0.0	135.15	

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,126.0	0.00	0.00	4,126.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,808.7	61.45	292.37	4,685.2	126.5	-307.3	9.00	9.00	0.00	292.37	
6,413.6	90.40	135.15	5,619.5	-616.7	-519.7	9.00	1.80	-9.80	-138.30	GCU #26-2306 03H F
11,161.6	90.40	135.15	5,586.4	-3,982.7	2,828.8	0.00	0.00	0.00	0.00	GCU #26-2306 03H F

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well GCU E26-2306 03H
Company:	EnCana Oil & Gas (USA) Inc	TVD Reference:	16' KB @ 7098.0ft
Project:	Sandoval County, NM	MD Reference:	16' KB @ 7098.0ft
Site:	S26-T23N-R6W	North Reference:	True
Well:	GCU E26-2306 03H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #1		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	9 5/8"
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	
1,555.0	0.00	0.00	1,555.0	0.0	0.0	0.0	0.00	0.00	Ojo Alamo Ss.
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	
1,669.0	0.00	0.00	1,669.0	0.0	0.0	0.0	0.00	0.00	Kirtland Shale
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	
1,841.0	0.00	0.00	1,841.0	0.0	0.0	0.0	0.00	0.00	Fruitland Coal
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	Pictured Cliffs Ss.
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	
2,221.0	0.00	0.00	2,221.0	0.0	0.0	0.0	0.00	0.00	Lewis Shale
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	
2,909.0	0.00	0.00	2,909.0	0.0	0.0	0.0	0.00	0.00	Cliffhouse Ss.
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	
3,619.0	0.00	0.00	3,619.0	0.0	0.0	0.0	0.00	0.00	Menefee Fn.
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	
4,126.0	0.00	0.00	4,126.0	0.0	0.0	0.0	0.00	0.00	KOP @ 4126'
4,200.0	6.66	292.37	4,199.8	1.6	-4.0	-4.0	9.00	9.00	
4,300.0	15.66	292.37	4,297.8	9.0	-21.9	-21.8	9.00	9.00	
4,330.7	18.43	292.37	4,327.2	12.4	-30.2	-30.1	9.00	9.00	Point Lookout Ss.

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well GCU E26-2306 03H
Company:	EnCana Oil & Gas (USA) Inc	TVD Reference:	16' KB @ 7098.0ft
Project:	Sandoval County, NM	MD Reference:	16' KB @ 7098.0ft
Site:	S26-T23N-R6W	North Reference:	True
Well:	GCU E26-2306 03H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #1		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
4,400.0	24.66	292.37	4,391.6	22.1	-53.7	-53.5	9.00	9.00	
4,500.0	33.66	292.37	4,478.9	40.6	-98.7	-98.4	9.00	9.00	
4,558.4	38.92	292.37	4,525.9	53.8	-130.7	-130.3	9.00	9.00	Mancos Shale
4,600.0	42.66	292.37	4,557.4	64.1	-155.8	-155.3	9.00	9.00	
4,700.0	51.66	292.37	4,625.3	92.0	-223.5	-222.9	9.00	9.00	
4,800.0	60.66	292.37	4,680.9	123.6	-300.3	-299.4	9.00	9.00	
4,808.7	61.45	292.37	4,685.2	126.5	-307.3	-306.4	9.00	9.00	Start build/turn @ 4808' MD
4,900.0	55.48	285.75	4,732.9	152.0	-380.7	-376.3	9.00	-6.54	
5,000.0	49.41	277.35	4,793.9	168.1	-458.2	-442.3	9.00	-6.06	
5,100.0	44.07	267.38	4,862.5	171.3	-530.7	-495.8	9.00	-5.34	
5,200.0	39.77	255.53	4,937.0	161.7	-596.6	-535.4	9.00	-4.30	
5,300.0	36.88	241.76	5,015.6	139.5	-654.1	-560.2	9.00	-2.89	
5,400.0	35.76	226.66	5,096.3	105.2	-701.9	-569.6	9.00	-1.12	
5,430.4	35.81	221.98	5,121.0	92.5	-714.3	-569.3	9.00	0.14	Mancos Silt
5,500.0	36.58	211.44	5,177.2	59.6	-738.8	-563.3	9.00	1.11	
5,600.0	39.21	197.40	5,256.3	3.9	-763.8	-541.4	9.00	2.63	
5,700.0	43.31	185.24	5,331.6	-60.5	-776.4	-504.6	9.00	4.11	
5,750.2	45.80	179.89	5,367.4	-95.7	-777.9	-480.8	8.96	4.95	Gallup Fn.
5,800.0	48.51	174.99	5,401.2	-132.2	-776.3	-453.8	9.04	5.45	
5,900.0	54.48	166.37	5,463.5	-209.2	-763.4	-390.1	9.00	5.97	
5,908.2	54.99	165.72	5,468.3	-215.7	-761.8	-384.3	9.00	6.28	7" ICP @ 55°
6,000.0	60.97	158.99	5,516.9	-289.7	-738.1	-315.1	9.00	6.51	
6,100.0	67.82	152.51	5,560.2	-371.8	-701.0	-230.8	9.00	6.85	
6,200.0	74.90	146.64	5,592.2	-453.3	-652.9	-139.1	9.00	7.08	
6,300.0	82.12	141.16	5,612.1	-532.4	-595.2	-42.4	9.00	7.22	
6,400.0	89.40	135.87	5,619.5	-607.0	-529.2	57.1	9.00	7.29	
6,413.6	90.40	135.15	5,619.5	-616.7	-519.7	70.7	9.00	7.30	LP @ 5619' TVD; 90.4° - GCU #26-2306 03H P
6,500.0	90.40	135.15	5,618.9	-677.9	-458.8	157.1	0.00	0.00	
6,600.0	90.40	135.15	5,618.2	-748.8	-388.2	257.1	0.00	0.00	
6,700.0	90.40	135.15	5,617.5	-819.7	-317.7	357.1	0.00	0.00	
6,800.0	90.40	135.15	5,616.8	-890.6	-247.2	457.1	0.00	0.00	
6,900.0	90.40	135.15	5,616.1	-961.5	-176.7	557.1	0.00	0.00	
7,000.0	90.40	135.15	5,615.4	-1,032.4	-106.1	657.1	0.00	0.00	
7,100.0	90.40	135.15	5,614.7	-1,103.3	-35.6	757.1	0.00	0.00	
7,200.0	90.40	135.15	5,614.0	-1,174.2	34.9	857.1	0.00	0.00	
7,300.0	90.40	135.15	5,613.3	-1,245.1	105.4	957.1	0.00	0.00	
7,400.0	90.40	135.15	5,612.6	-1,316.0	176.0	1,057.1	0.00	0.00	
7,500.0	90.40	135.15	5,611.9	-1,386.9	246.5	1,157.1	0.00	0.00	
7,600.0	90.40	135.15	5,611.2	-1,457.8	317.0	1,257.1	0.00	0.00	
7,700.0	90.40	135.15	5,610.5	-1,528.7	387.5	1,357.1	0.00	0.00	
7,800.0	90.40	135.15	5,609.8	-1,599.6	458.1	1,457.1	0.00	0.00	
7,900.0	90.40	135.15	5,609.1	-1,670.5	528.6	1,557.1	0.00	0.00	
8,000.0	90.40	135.15	5,608.4	-1,741.4	599.1	1,657.1	0.00	0.00	
8,100.0	90.40	135.15	5,607.7	-1,812.2	669.6	1,757.1	0.00	0.00	
8,200.0	90.40	135.15	5,607.0	-1,883.1	740.2	1,857.1	0.00	0.00	
8,300.0	90.40	135.15	5,606.3	-1,954.0	810.7	1,957.1	0.00	0.00	
8,400.0	90.40	135.15	5,605.6	-2,024.9	881.2	2,057.1	0.00	0.00	
8,500.0	90.40	135.15	5,604.9	-2,095.8	951.7	2,157.1	0.00	0.00	
8,600.0	90.40	135.15	5,604.2	-2,166.7	1,022.2	2,257.0	0.00	0.00	
8,700.0	90.40	135.15	5,603.5	-2,237.6	1,092.8	2,357.0	0.00	0.00	
8,800.0	90.40	135.15	5,602.8	-2,308.5	1,163.3	2,457.0	0.00	0.00	
8,900.0	90.40	135.15	5,602.1	-2,379.4	1,233.8	2,557.0	0.00	0.00	

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well GCU E26-2306 03H
Company:	EnCana Oil & Gas (USA) Inc	TVD Reference:	16' KB @ 7098.0ft
Project:	Sandoval County, NM	MD Reference:	16' KB @ 7098.0ft
Site:	S26-T23N-R6W	North Reference:	True
Well:	GCU E26-2306 03H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #1		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
9,000.0	90.40	135.15	5,601.4	-2,450.3	1,304.3	2,657.0	0.00	0.00	
9,100.0	90.40	135.15	5,600.7	-2,521.2	1,374.9	2,757.0	0.00	0.00	
9,200.0	90.40	135.15	5,600.0	-2,592.1	1,445.4	2,857.0	0.00	0.00	
9,300.0	90.40	135.15	5,599.3	-2,663.0	1,515.9	2,957.0	0.00	0.00	
9,400.0	90.40	135.15	5,598.6	-2,733.9	1,586.4	3,057.0	0.00	0.00	
9,500.0	90.40	135.15	5,598.0	-2,804.8	1,657.0	3,157.0	0.00	0.00	
9,600.0	90.40	135.15	5,597.3	-2,875.7	1,727.5	3,257.0	0.00	0.00	
9,700.0	90.40	135.15	5,596.6	-2,946.5	1,798.0	3,357.0	0.00	0.00	
9,800.0	90.40	135.15	5,595.9	-3,017.4	1,868.5	3,457.0	0.00	0.00	
9,900.0	90.40	135.15	5,595.2	-3,088.3	1,939.1	3,557.0	0.00	0.00	
10,000.0	90.40	135.15	5,594.5	-3,159.2	2,009.6	3,657.0	0.00	0.00	
10,100.0	90.40	135.15	5,593.8	-3,230.1	2,080.1	3,757.0	0.00	0.00	
10,200.0	90.40	135.15	5,593.1	-3,301.0	2,150.6	3,857.0	0.00	0.00	
10,300.0	90.40	135.15	5,592.4	-3,371.9	2,221.1	3,957.0	0.00	0.00	
10,400.0	90.40	135.15	5,591.7	-3,442.8	2,291.7	4,057.0	0.00	0.00	
10,500.0	90.40	135.15	5,591.0	-3,513.7	2,362.2	4,157.0	0.00	0.00	
10,600.0	90.40	135.15	5,590.3	-3,584.6	2,432.7	4,257.0	0.00	0.00	
10,700.0	90.40	135.15	5,589.6	-3,655.5	2,503.2	4,357.0	0.00	0.00	
10,800.0	90.40	135.15	5,588.9	-3,726.4	2,573.8	4,457.0	0.00	0.00	
10,900.0	90.40	135.15	5,588.2	-3,797.3	2,644.3	4,557.0	0.00	0.00	
11,000.0	90.40	135.15	5,587.5	-3,868.2	2,714.8	4,657.0	0.00	0.00	
11,100.0	90.40	135.15	5,586.8	-3,939.1	2,785.3	4,757.0	0.00	0.00	
11,161.6	90.40	135.15	5,586.4	-3,982.7	2,828.8	4,818.6	0.00	0.00	TD at 11161.6 - GCU #26-2306 03H PBHL

Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
GCU #26-2306 03H POI - plan hits target center - Point	0.00	0.00	5,619.5	-616.7	-519.7	1,892,886.28	1,287,664.97	36.196272	-107.445557
GCU #26-2306 03H PBI - plan hits target center - Point	0.00	0.00	5,586.4	-3,982.7	2,828.8	1,889,479.32	1,290,971.73	36.187026	-107.434211

Casing Points					
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)	
500.0	500.0	9 5/8"	0.000	0.000	
5,908.2	5,468.3	7" ICP @ 55°	0.000	0.000	

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well GCU E26-2306 03H
Company:	EnCana Oil & Gas (USA) Inc	TVD Reference:	16' KB @ 7098.0ft
Project:	Sandoval County, NM	MD Reference:	16' KB @ 7098.0ft
Site:	S26-T23N-R6W	North Reference:	True
Well:	GCU E26-2306 03H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #1		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
1,555.0	1,555.0	Ojo Alamo Ss.		-0.40	135.15	
1,669.0	1,669.0	Kirtland Shale		-0.40	135.15	
1,841.0	1,841.0	Fruitland Coal		-0.40	135.15	
2,100.0	2,100.0	Pictured Cliffs Ss.		-0.40	135.15	
2,221.0	2,221.0	Lewis Shale		-0.40	135.15	
2,909.0	2,909.0	Cliffhouse Ss.		-0.40	135.15	
3,619.0	3,619.0	Menefee Fn.		-0.40	135.15	
4,330.7	4,327.0	Point Lookout Ss.		-0.40	135.15	
4,558.4	4,525.0	Mancos Shale		-0.40	135.15	
5,430.4	5,117.0	Mancos Silt		-0.40	135.15	
5,750.2	5,364.0	Gallup Fn.		-0.40	135.15	

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment	
		+N/-S (ft)	+E/-W (ft)		
4,126.0	4,126.0	0.0	0.0	KOP @ 4126'	
4,808.7	4,685.2	126.5	-307.3	Start build/turn @ 4808' MD	
6,413.6	5,619.5	-616.7	-519.7	LP @ 5619' TVD; 90.4°	
11,161.6	5,586.4	-3,982.7	2,828.8	TD at 11161.6	

EnCana Oil & Gas (USA) Inc

Sandoval County, NM

S26-T23N-R6W

GCU E26-2306 03H

HZ

Plan #1

Anticollision Report

05 September, 2014

Anticollision Report

Company:	EnCana Oil & Gas (USA) Inc	Local Co-ordinate Reference:	Well GCU E26-2306 03H
Project:	Sandoval County, NM	TVD Reference:	16' KB @ 7098.0ft
Reference Site:	S26-T23N-R6W	MD Reference:	16' KB @ 7098.0ft
Site Error:	0.0ft	North Reference:	True
Reference Well:	GCU E26-2306 03H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.0ft	Output errors are at	2.00 sigma
Reference Wellbore	HZ	Database:	USA EDM 5000 Multi Users DB
Reference Design:	Plan #1	Offset TVD Reference:	Offset Datum

Reference	Plan #1		
Filter type:	NO GLOBAL FILTER: Using user defined selection & filtering criteria		
Interpolation Method:	MD Interval 100.0ft	Error Model:	Systematic Ellipse
Depth Range:	Unlimited	Scan Method:	Closest Approach 3D
Results Limited by:	Maximum center-center distance of 304.0ft	Error Surface:	Elliptical Conic
Warning Levels Evaluated at:	2.00 Sigma		

Survey Tool Program	Date	9/5/2014		
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0.0	11,161.6	Plan #1 (HZ)	Geolink MWD	Geolink MWD

Site Name	Reference Measured Depth (ft)	Offset Measured Depth (ft)	Distance Between Centres (ft)	Distance Between Ellipses (ft)	Separation Factor	Warning
Offset Well - Wellbore - Design						
GCU						
GCU O27-2306 01H - Hz - Plan #2						Out of range
Lybrook						
Gallo Canyon Unit E27-2306 02H - Hz - Plan #1						Out of range
S26-T23N-R6W						
GCU P26-2306 01H - Hz - Plan #1	11,161.6	6,000.0	203.2	88.0	1.764	CC, ES, SF
GCU P26-2306 02H - Hz - Plan #1						Out of range
S27-T23N-R6W						
GCU O27-2306 01H - Hz - Plan #2						Out of range
GCU O27-2306 02H - Hz - Plan #1						Out of range

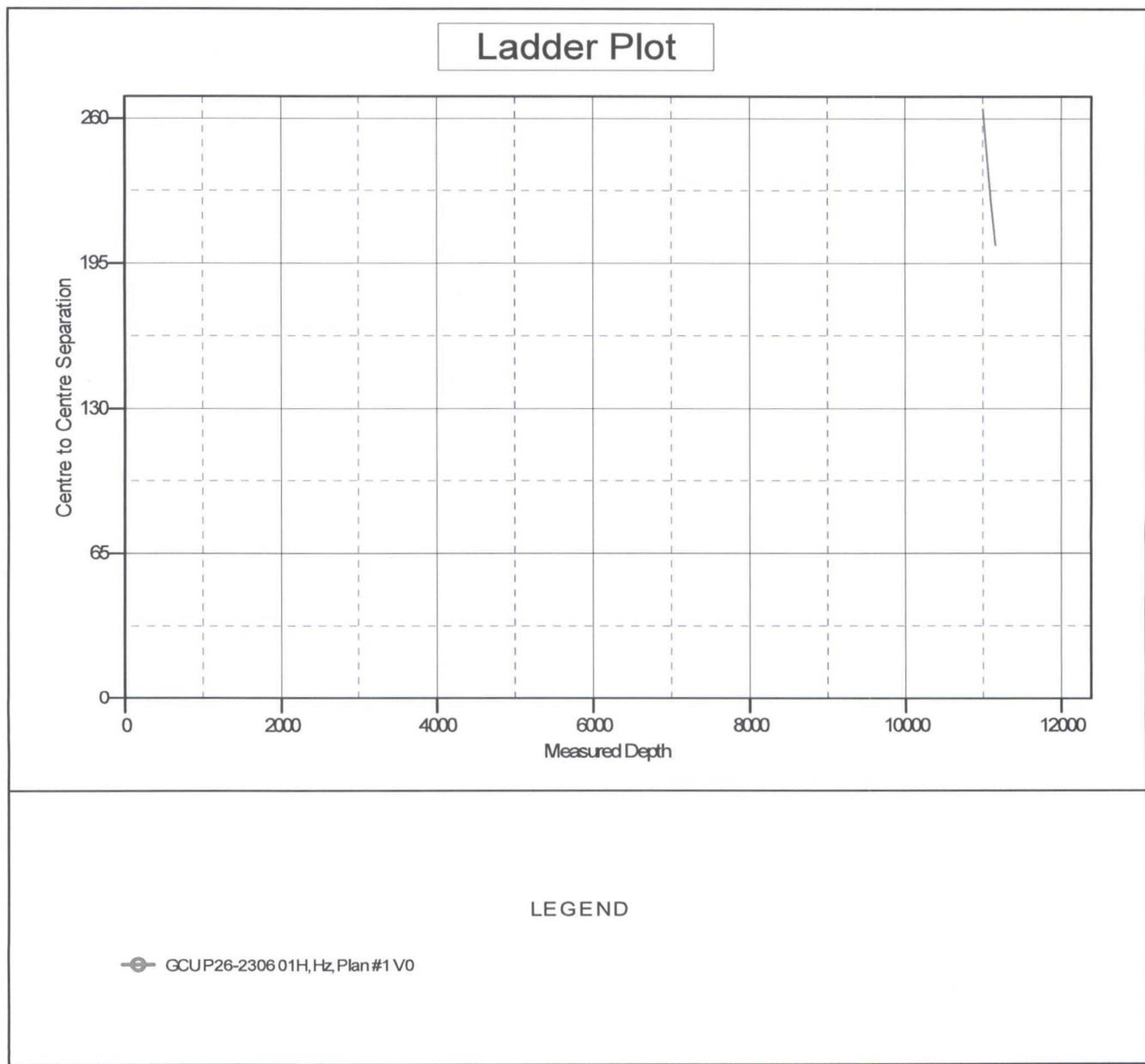
Offset Design S26-T23N-R6W - GCU P26-2306 01H - Hz - Plan #1													Offset Site Error:	0.0 ft
Survey Program: 0-Geolink MWD													Offset Well Error:	0.0 ft
Reference		Offset		Semi Major Axis			Distance						Separation Factor	Warning
Measured Depth (ft)	Vertical Depth (ft)	Measured Depth (ft)	Vertical Depth (ft)	Reference (ft)	Offset (ft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (ft)	Offset Wellbore Centre +E/-W (ft)	Between Centres (ft)	Between Ellipses (ft)	Total Uncertainty Axis			
11,000.0	5,587.5	5,900.0	5,348.6	101.3	19.6	-83.05	-3,796.2	2,967.6	264.4	154.3	110.14	2.401		
11,100.0	5,586.8	5,958.5	5,360.2	103.4	20.1	-85.58	-3,849.3	2,989.0	223.2	109.9	113.23	1.971		
11,161.6	5,586.4	6,000.0	5,366.7	104.7	20.6	-87.29	-3,886.1	3,007.2	203.2	88.0	115.15	1.764	CC, ES, SF	

CC - Min centre to center distance or covergent point, SF - min separation factor, ES - min ellipse separation

Anticollision Report

Company:	EnCana Oil & Gas (USA) Inc	Local Co-ordinate Reference:	Well GCU E26-2306 03H
Project:	Sandoval County, NM	TVD Reference:	16' KB @ 7098.0ft
Reference Site:	S26-T23N-R6W	MD Reference:	16' KB @ 7098.0ft
Site Error:	0.0ft	North Reference:	True
Reference Well:	GCU E26-2306 03H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.0ft	Output errors are at	2.00 sigma
Reference Wellbore	HZ	Database:	USA EDM 5000 Multi Users DB
Reference Design:	Plan #1	Offset TVD Reference:	Offset Datum

Reference Depths are relative to 16' KB @ 7098.0ft Offset Depths are relative to Offset Datum Central Meridian is -106.250000 °	Coordinates are relative to: GCU E26-2306 03H Coordinate System is US State Plane 1983, New Mexico Central Zone Grid Convergence at Surface is: -0.71°
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Gallo Canyon Unit E26-2306 03H

**SHL: SWNW Section 26, T23N, R6W
1991 FNL and 850 FWL**

**BHL: NWNE Section 35, T23N, R6W
680 FNL and 1570 FEL**

Sandoval County, New Mexico

Lease Number: NMNM 131017X

5. Construction equipment may include chain saws, a brush hog, scraper, maintainer, excavator, and dozer. Construction for the access road and well pad will take approximately 4 weeks.

C. Pipeline

See the Initial Standard SF-299 Application for authorization to construct, operate, maintain and terminate a 3921 foot, up to 6-inch outside diameter, buried steel well connect pipeline that was submitted to the Bureau of Land Management.

7. METHODS FOR HANDLING WASTE

✓ A. Cuttings

1. A closed-loop system will be used. Cuttings will be moved through a shaker system on the drill rig that separates drilling fluids from the cuttings. Cuttings will be stored onsite in above-ground storage tanks. Cuttings will be pulled from the storage tanks, mixed with saw dust or similar absorbent material, and disposed of at the Envirotech, Inc. and/or Industrial Ecosystem, Inc. waste disposal facilities.
2. The closed-loop system storage tanks will be adequately sized to ensure confinement of all fluids and will provide sufficient freeboard to prevent uncontrolled releases.
3. A 20-mil liner will be installed under tanks, pumps, ancillary facilities, and truck loading/unloading areas associated with the closed-loop system.

B. Drilling Fluids

1. A closed-loop system will be used. Drilling fluids will be stored onsite in above-ground storage tanks. Upon termination of drilling operations, the drilling fluids will be recycled and transferred to other permitted closed-loop systems or returned to the vendor for reuse, as practical. Residual fluids will be vacuumed from the storage tanks and disposed of at Basin Disposal, Inc. and/or Industrial Ecosystem, Inc. waste disposal facilities.
2. The closed-loop system storage tanks will be adequately sized to ensure confinement of all fluids and will provide sufficient freeboard to prevent uncontrolled releases.
3. The closed-loop system storage tanks will be placed in bermed secondary containment sized to accommodate a minimum of 110 percent of the volume of the largest storage tank.
4. A 20-mil liner will be installed under tanks, pumps, ancillary facilities, and truck loading/unloading areas associated with the closed-loop system.

C. Flowback Water

1. The water-based solution that flows back to the surface during and after completion operations will be placed in storage tanks on the location.
2. Flowback water will be confined to a storage tank for a period not to exceed 90 days after initial production and will be disposed of at Basin Disposal, Inc. and/or Industrial Ecosystem, Inc. waste disposal facilities.

- D. Spills – any spills of non-freshwater fluids will be immediately cleaned up and removed to an approved disposal site. Encana will also notify the BLM within 24 hours of any spill.

ENCANA OIL & GAS (USA) INC.

GALLO CANYON UNIT E26-2306 #03H
1991' FNL & 850' FWL
LOCATED IN THE SW/4 NW/4 OF SECTION 26,
T23N, R6W, N.M.P.M.,
SANDOVAL COUNTY, NEW MEXICO

DIRECTIONS

- 1) FROM THE INTERSECTION OF HWY 64 & HWY 550 IN BLOOMFIELD, GO SOUTH ON HWY 550, 54.5 MILES TO ISR 471 (M.P. 97.1).
- 2) TURN RIGHT ONTO ISR 471 AND GO 2.0 MILES TO ACCESS ROAD ON LEFT.
- 3) FOLLOW ACCESS ROAD FOR 0.6 MILES TO WHERE ACCESS IS STAKED.

WELL FLAG LOCATED AT LAT. 36.197966° N, LONG.107.443796° W (NAD 83).



