

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

Jami Bailey, Division Director
Oil Conservation Division



October 3, 2014

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-406
Administrative Application Reference No. pMAM14223255956

Encana Oil & Gas (USA) Inc.
Attn: Ms. Jessica Gregg

Pursuant to your application received on August 20, 2014, Encana Oil & Gas (USA) Inc. (OGRID 282327) is hereby authorized to surface commingle **gas production only** from the following pools:

Alamito-Gallup (O)	(1039)
Basin Mancos	(97232)

and from the following diversely owned wells. These wells are identified in Attachment No. 1, and made part of this order. These wells are located on federal and state leases in said Townships and Ranges in San Juan and Sandoval Counties, New Mexico.

Each well produces from only the pool or pools identified on Attachment No. 1.

Each well will be equipped with an individual gas meter for allocation purposes. Gas that has passed through the well meters will be commingled in operator's Chaco Trunk No. 1 and Chaco Trunk No. 2 Phase 1 Gathering System will be again measured, and sold, at the transfer point on Enterprise Products Partners' pipeline, located in the SW/4 NW/4 of Section 25, Township 23 North, Range 7 West, Sandoval County, New Mexico.

The operator shall notify the transporter of this commingling authority.

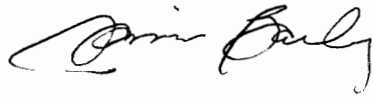
The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

This approval is subject to like approval from the United States Bureau of Land Management and the New Mexico State Land Office before commencement of the commingling operations.

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Done at Santa Fe, New Mexico, on October 3, 2014.

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Division Director

JB/mam

cc: Oil Conservation Division District Office – Aztec
New Mexico State Land Office
United States Bureau of Land Management

Attachment No. 1
Encana Oil Gas (USA) Inc.
Chaco Trunk #1 and Chaco Trunk #2 Phase 1 Gathering System
San Juan and Sandoval Counties, New Mexico
Application Dated August 8, 2014

Initial Application for Chaco Trunk #1 & Chaco Trunk #2 Phase 1 Gathering System Dated August 8, 2014

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Communitization No. if Applicable	Well No.	Project Area	Pool	Lease No.	Lease Type	Completion Date	Well Status	Projected Gas Rate (Mcf/Day)	Projected Lease Gas Rate (Mcf/day)	Projected Gas %	*Projected Initial Gas Heating Value (Btu/scf) (through 1st ~6 Months)	Projected Gas Heating Value (Btu/scf after ~1st 6 months)	Comments
Lybrook D12-2208 01H	Pending	D-NWNW-12-22N-8W	N/A	1a	N2 Sec 11 22N 8W (320 acres)	Basin Mancos Gas	NM-48989A	USA	N/A	Not Drilled	350	700	4.1%	950	1215	Current Status: Future wells are contingent on success of initial wells in the area.
Lybrook E12-2208 01H	Pending	E-SWNW-12-22N-8W	N/A	1b	N2 Sec 11 22N 8W (320 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
Lybrook D34-2307 01H	Pending	D-NWNW-34-23N-7W	N/A	2	N2N2 Sec 33 23N 7W (160 acres)	Alamito-Gallup / Basin Mancos Gas	NM-16586	USA	N/A	Not Drilled	350	700	4.1%	950	1215	
Lybrook D34-2307 02H	Pending	D-NWNW-34-23N-7W	N/A	3	S2N2 Sec 33 23N 7W (160 acres)	Alamito-Gallup			N/A	Not Drilled	350			950	1215	
Lybrook E20-2307 01H	Pending	E-SWNW-20-23N-7W	N/A	4a	All Sec 19 (640 acres) 23N 7W	Basin Mancos Gas	NM-81638	USA	N/A	Not Drilled	350	700	4.1%	950	1215	
Lybrook E20-2307 02H	Pending	E-SWNW-20-23N-7W	N/A	4b	All Sec 19 (640 acres) 23N 7W	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
Lybrook E33-2307 01H	30-043-21195	E-SWNW-33-23N-7W	N/A	5	N2N2 Sec 32 23N 7W (160 acres)	Alamito-Gallup	NM-6682	USA	N/A	Not Drilled	350	700	4.1%	950	1215	
Lybrook E33-2307 02H	30-043-21196	E-SWNW-33-23N-7W	N/A	6	S2N2 Sec 32 23N 7W (160 Acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
Lybrook E11-2208 01H	Pending	F-SENW-11-22N-8W	Pending	7a	SW Sec 11 (160 acres) / NW Sec 14 (160 acres) 22N 8W	Basin Mancos Gas	NM-48989A / NM-48989	USA / USA	N/A	Not Drilled	350	700	4.1%	950	1215	
Lybrook E11-2208 02H	Pending	F-SENW-11-22N-8W	Pending	7b	SW Sec 11 (160 acres) / NW Sec 14 (160 acres) 22N 8W	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
Lybrook E15-2208 01H	Pending	E-SWNW-15-22N-8W	Pending	8a	N2 Sec 16 22N 8W (320 acres)	Basin Mancos Gas	B-10894 / VA- 1119	NM STATE / NM STATE	N/A	Not Drilled	350	700	4.1%	950	1215	
Lybrook E15-2208 01H	Pending	E-SWNW-15-22N-8W	Pending	8b	N2 Sec 16 22N 8W (320 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
Lybrook H04-2208 01H	30-045-35328	H-SENE-4-22N-8W	Pending	9	All Sec 4 22N 8W (644.03 acres)	Basin Mancos Gas	NM-55836 / NM-90468	NM STATE / NM STATE	N/A	Not Drilled	350	350	2.0%	950	1215	
Lybrook L29-2307 01H	30-043-21232	L-NWSW-29-23N-7W	N/A	10a	S2 Sec 30 23N 7W (321.26 acres)	Basin Mancos Gas	NM-36943	USA	N/A	Not Drilled	350	1400	8.2%	950	1215	
Lybrook L29-2307 02H	30-043-21231	L-NWSW-29-23N-7W	N/A	10b	S2 Sec 30 23N 7W (321.26 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
Lybrook L29-2307 03H	30-043-21230	L-NWSW-29-23N-7W	N/A	10c	S2 Sec 30 23N 7W (321.26 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
Lybrook L29-2307 04H	Pending	L-NWSW-29-23N-7W	N/A	10d	S2 Sec 30 23N 7W (321.26 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
Lybrook L33-2307 01H	30-043-21197	L-NWSW-33-23N-7W	Pending	11	N2S2 Sec 32 23N 7W (160 acres)	Alamito-Gallup	V-1697 / V- 3924	NM STATE / NM STATE	N/A	Not Drilled	350	350	2.0%	950	1215	
Lybrook L34-2307 01H	Pending	L-NWSW-34-23N-7W	N/A	12	N2S2 Sec 33 23N 7W (160 acres)	Alamito-Gallup	NM-16586	USA	N/A	Not Drilled	350	700	4.1%	950	1215	
Lybrook L34-2307 02H	Pending	L-NWSW-34-23N-7W	N/A	13	S2S2 Sec 33 23N 7W (160 acres)	Alamito-Gallup			N/A	Not Drilled	350			950	1215	
Lybrook M35-2308 01H	30-045-35526	M-SWSW-35-23N-8W	N/A	14a	W2W2 Sec 2 22N 8W (160.50 acres)	Alamito-Gallup	NM-48989A	USA	N/A	Not Drilled	350	1400	8.2%	950	1215	
Lybrook M35-2308 02H	Pending	M-SWSW-35-23N-8W	N/A	15a	E2W2 Sec 2 22N 8W (160.70 acres)	Alamito-Gallup			N/A	Not Drilled	350			950	1215	
Lybrook M35-2308 03H	Pending	M-SWSW-35-23N-8W	N/A	15b	E2W2 Sec 2 22N 8W (160.70 acres)	Alamito-Gallup			N/A	Not Drilled	350			950	1215	
Lybrook M35-2308 04H	Pending	M-SWSW-35-23N-8W	N/A	14b	W2W2 Sec 2 22N 8W (160.50 acres)	Alamito-Gallup			N/A	Not Drilled	350			950	1215	
Lybrook O20-2307 01H	Pending	O-SWSE-20-23N-7W	N/A	16a	W2 Sec 20 (320 acres) / All Sec 19 (640 acres) 23N 7W	Basin Mancos Gas	NM-81638	USA	N/A	Not Drilled	350	700	4.1%	950	1215	
Lybrook O20-2307 02H	Pending	O-SWSE-20-23N-7W	N/A	16b	W2 Sec 20 (320 acres) / All Sec 19 (640 acres) 23N 7W	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	

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✓	Lybrook O35-2308 01H	30-045-35525	O-SWSE-35-23N-8W	N/A	17	W2E2 Sec 2 22N 8W (160.90 acres)	Alamito-Gallup	NM-48989A	USA	N/A	Not Drilled	350	700	4.1%	950	1215	Current Status: Future wells are contingent on success of initial wells in the area.
	Lybrook O35-2308 02H	30-045-35524	O-SWSE-35-23N-8W	N/A	18	E2E2 Sec 2 22N 8W (160.10 acres)	Alamito-Gallup			N/A	Not Drilled	350			950	1215	
	Lybrook P28-2307 01H	Pending	P-SESE-28-23N-7W	N/A	19	N2S2 Sec 28 23N 7W (160 acres)	Basin Mancos Gas	NM-58878	USA	N/A	Not Drilled	350	700	4.1%	950	1215	
	Lybrook P28-2307 02H	Pending	P-SESE-28-23N-7W	N/A	20	S2S2 Sec 28 23N 7W (160 acres)	Alamito-Gallup / Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook P31-2307 01H	30-043-21229	P-SESE-31-23N-7W	N/A	21a	All Sec 6 22N 7W (643.40 acres)	Basin Mancos Gas	NM-89023	USA	N/A	Not Drilled	350	1400	8.2%	950	1215	
	Lybrook P31-2307 02H	Pending	P-SESE-31-23N-7W	N/A	21b	All Sec 6 22N 7W (643.40 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook P31-2307 03H	30-043-21228	P-SESE-31-23N-7W	N/A	21c	All Sec 6 22N 7W (643.40 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook P31-2307 04H	Pending	P-SESE-31-23N-7W	N/A	21d	All Sec 6 22N 7W (643.40 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook P32-2307 01H	30-043-24198	P-SESE-32-23N-7W	Pending	22	S2S2 Sec 32 23N 7W (160 acres)	Alamito-Gallup	V-1697 / V-3924	NM STATE / NM STATE	N/A	Not Drilled	350	700	4.1%	950	1215	
✓	Lybrook G30-2307 01H	30-043-21235	G-SWNE-30-23N-7W	Pending	23a	N2 Sec 25 23N 8W NW4 Sec 30 23N 7W (481.38 acres)	Basin Mancos Gas	BIA-1403-1912 / NM-81638 / NM-36943	ALLOTTEE / USA / USA	N/A	Not Drilled	350	1050	6.1%	950	1215	
	Lybrook G30-2307 02H	30-043-21236	G-SWNE-30-23N-7W	Pending	23b	N2 Sec 25 23N 8W NW4 Sec 30 23N 7W (481.38 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
5	Lybrook G30-2307 03H	30-043-21237	G-SWNE-30-23N-7W	Pending	23c	N2 Sec 25 23N 8W NW4 Sec 30 23N 7W (481.38 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook G30-2307 04H	Pending	G-SWNE-30-23N-7W	Pending	23d	NE4 Sec 25 23N 8W NW4 Sec 30 23N 7W (321.38 acres)	Basin Mancos Gas	NM-81638 / NM-36943	USA / USA	N/A	Not Drilled	350	350	2.0%	950	1215	
	Lybrook G31-2307 01H	30-043-21217	G-SWNE-31-23N-7W	Pending	24a	NW4 Sec 31 23N 7W N2 Sec 36 23N 8W (481.24 acres)	Basin Mancos Gas	LG-9090 / NM-6681 / BIA-1949	NM STATE / USA / ALLOTTEE	N/A	Not Drilled	350	1050	6.1%	950	1215	
	Lybrook G31-2307 02H	30-043-21216	G-SWNE-31-23N-7W	Pending	24b	NW4 Sec 31 23N 7W N2 Sec 36 23N 8W (481.24 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook G31-2307 03H	30-043-21218	G-SWNE-31-23N-7W	Pending	24c	NW4 Sec 31 23N 7W N2 Sec 36 23N 8W (481.24 acres)	Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook J31-2307 01H	30-043-21214	J-NWSE-31-23N-7W	Pending	25	N2SW Sec 31 23N 7W (80.65 acres) N2S2 Sec 36 23N 8W (160.00 acres)	Alamito-Gallup / Basin Mancos Gas	BIA-1882 / LG-9090 / V-9194 / NM-6681	ALLOTTEE / NM STATE / NM STATE / USA	N/A	Not Drilled	350	700	4.1%	950	1215	
✓	Lybrook J31-2307 02H	30-043-21215	J-NWSE-31-23N-7W	Pending	26	S2SW Sec 31 23N 7W S2S2 Sec 36 23N 8W (240.67 acres)	Alamito-Gallup			N/A	Not Drilled	350			950	1215	
✓	Lybrook O30-2307 01H	30-043-21211	O-SWSE-30-23N-7W	N/A	27a	W2E2 Sec 31 23N 7W (160 acres)	Alamito-Gallup / Basin Mancos Gas	NM-6681	USA	N/A	Not Drilled	350	1400	8.2%	950	1215	
✓	Lybrook O30-2307 02H	30-0043-21210	O-SWSE-30-23N-7W	N/A	28a	E2E2 Sec 31 23N 7W (160 acres)	Alamito-Gallup / Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook O30-2307 03H	30-0043-21212	O-SWSE-30-23N-7W	N/A	28b	E2E2 Sec 31 23N 7W (160 acres)	Alamito-Gallup / Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
	Lybrook O30-2307 04H	Pending	O-SWSE-30-23N-7W	N/A	27b	W2E2 Sec 31 23N 7W (160 acres)	Alamito-Gallup / Basin Mancos Gas			N/A	Not Drilled	350			950	1215	
												TOTALS	17150	100.0%			

EXPLANATION LEGEND

Encana intends to drill and produce thirteen (13) wells that will produce exclusively from the Alamito-Gallup Pool, twenty-eight (28) wells that will produce exclusively from the Basin Mancos Pool, and seven (7) wells that will produce from both the Alamito-Gallup Pool and the Basin Mancos Pool. The wells will be targeted and completed in a correlative interval within the Mancos formation. Completion design is also very similar in these wells. Initial flowback and hydrocarbon analysis results in the area show very similar BTU heating content (see * below).

Projected decline rates for all wells listed above: Di/b:75%/1.8.

*BTU value is lower over the 1st ~6 months due to pumping nitrogen while completing the well. Nitrogen introduced while completing decreases over time as the well is produced.