

State of New Mexico  
Energy, Minerals and Natural Resources Department

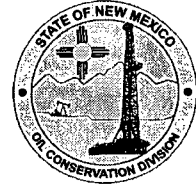
---

**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



April 17, 2013

Encana Oil & Gas (USA) Inc.  
c/o Holland & Hart LLP  
Attn: Mr. Michael H. Feldewert

ADMINISTRATIVE NON-STANDARD PRORATION UNIT ORDER

**Administrative Order NSP-1964**  
**Administrative Application Reference No. pPRG1308138347**

**Encana Oil & Gas (USA) Inc.**  
OGRID 282327

**Subject Pool:**            **Basin Mancos Gas (Pool Code 97232)**

**Subject Unit:**          **NW/4 of Section 6, Township 23 North, Range 9 West,  
San Juan County, New Mexico**

Reference is made to your application received on March 19, 2013.

You have requested an exception to Rule 2.A of the Special Rules for the Basin; Mancos Gas Pool, as adopted by Order No. R-12984, issued on September 3, 2008, to approve a non-standard, 160-acre oil spacing and proration units described above as the Subject Unit. The said Rule provides that a standard spacing unit in the Subject Pool shall consist of 320 acres comprising the N/2, S/2, E/2 or W/2 of a section. The Subject Unit is entirely located in a single quarter section.

Your application has been duly filed under the provisions of Division Rules 19.15.15.11.B(2) and 19.15.14.12.A(3).

We understand that you are seeking this exception in order to establish a standard project area for a horizontal well that will cross the boundary between the Subject Pool and the South Bisti Gallup Pool, which is spaced on 80 acres.

It is also understood that you have given due notice of this application to all persons to whom notice is required by Division Rule 19.15.14.12.A(3).

Pursuant to the authority conferred by said Rule, the Subject Unit is hereby approved.

The Subject Unit shall be dedicated, as part of a project area comprising the W/2 of Section 6, to the following well:

Good Times D06-2309 Well No. 1H (API No. 30-045-35419) having a surface location 210 feet FNL and 667 feet FWL (Unit D) and a bottom hole location 330 feet FSL and 660 feet FWL (Unit M) of Section 6.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey  
Director

JB/db

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