

State of New Mexico  
Energy, Minerals and Natural Resources Department

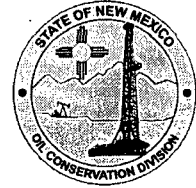
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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

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

**Jami Bailey, Division Director**  
Oil Conservation Division



April 30, 2013

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

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6797**  
**Administrative Application Reference No. pPRG1310034825**

**Encana Oil & Gas (USA) Inc.**  
**OGRID 282327**  
**Good Times L10-2410 Well No. 001H**  
**API No. 30-045-35442**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1753 FSL & 199 FWL	L	10	24N	10W	San Juan
Penetration Point	1753 FSL & 330 FEL	I	9	24N	10W	San Juan
Terminus	1753 FSL & 330 FWL	L	9	24N	10W	San Juan

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 of Section 9	320	Basin-Mancos	97232

Reference is made to your application received on April 9, 2013.

You have requested approval of an unorthodox gas well location for the well described above in the referenced pool or formation. This location is governed by Order No. R-12984 [September 3, 2008] which provides for 320-acre units with wells located at least 660 feet from the outer boundary of the spacing unit and no closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. The location is unorthodox because the proposed penetration point and proposed terminus are less than 660 feet from the outer boundary of the project area.

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Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location approval for engineering reasons that reduce waste.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

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", with a stylized, cursive script.

Jami Bailey  
Director

JB/pg

cc: New Mexico Oil Conservation Division – Aztec  
Bureau of Land Management - Farmington