

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

IN REPLY REFER TO 3160-5 sundry notice

January 20, 2012

API# 30-045-35322

Brenda R. Linster Encana Oil & Gas (USA) Inc. 370 17TH Street, Suite 1700 Denver, Colorado 80202

Dear Ms. Linster:

Reference is made to the following well on Federal oil and gas lease NMSF-078860:

Escrito I24-2409 #1H, located 1935' FSL and 205' FEL, Sec. 24, T.24N. 09W. San Juan County, New Mexico.

After further internal discussion, this office has rejected the 3160-5 sundry notice dated 1/18/2012 to correct the dedicated acres to the spacing unit. This office will honor the original dedication of the S/2 320 acres of section 24-24N-9W that was submitted with the Application to Permit to Drill on 11/01/2011.

Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, and P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et. Seq.

If you have any questions regarding the above, please contact me at (505) 599-6397.

Sincerely,

Dave Mankiewicz Assistant Field Manger (Minerals)