

RECEIVED

Form 3160-5
(March 2012)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 06 2013

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.5. Lease Serial No.
NM 5100 & NM 4958
6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Encana Oil & Gas (USA) Inc.3a. Address
370 17th Street, Suite 1700 Denver, CO 802023b. Phone No. (include area code)
720-876-53314. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 1985' FNL and 341' FEL Section 31, T24N, R9W
BHL: 1744' FNL and 347' FWL Section 31, T24N, R9W7. If Unit of CA/Agreement, Name and/or No.
N/A8. Well Name and No.
Escrito H31-2409 01H9. API Well No.
30-045-3539110. Field and Pool or Exploratory Area
Bisti Lower-Gallup11. County or Parish, State
San Juan, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Revision to
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Project Area/Revised
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	C-102

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Encana Oil & Gas (USA) Inc. (Encana) would like to revise the Project Area for the Escrito H31-2409 01H to 320.84 acres (N2 Sec 31 T24N R9W) instead of 160.48 acres as previously permitted. The Project Area revision is due to the New Mexico Oil Conservation Division's (NMOCD) administrative approval, Administrative Order NSP-1966, for an exception Rule 2 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool. Please find attached a revised C-102 for this well as well as the NMOCD Order NSP-1966.

RCVD AUG 16 '13
OIL CONS. DIV.
DIST. 3

ACCEPTED FOR RECORD

AUG 08 2013

FARMINGTON FIELD OFFICE
BY William Tambekou

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Holly Hill

Title Regulatory Analyst

Signature

Holly Hill

Date 07/31/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

(Instructions on page 2)

NMOCD

District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First Street, Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

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

☐ AMENDED REPORT
☒ AS DRILLED

AUG 06 2013

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-35391		*Pool Code 5890		*Pool Name BISTI LOWER - GALLUP	
*Property Code 39824		*Property Name ESCRITO H31-2409			*Well Number 01H
*GRID No. 282327		*Operator Name ENCANA OIL & GAS (USA) INC.			*Elevation 6831'

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
H	31	24N	9W		1985	NORTH	341	EAST	SAN JUAN

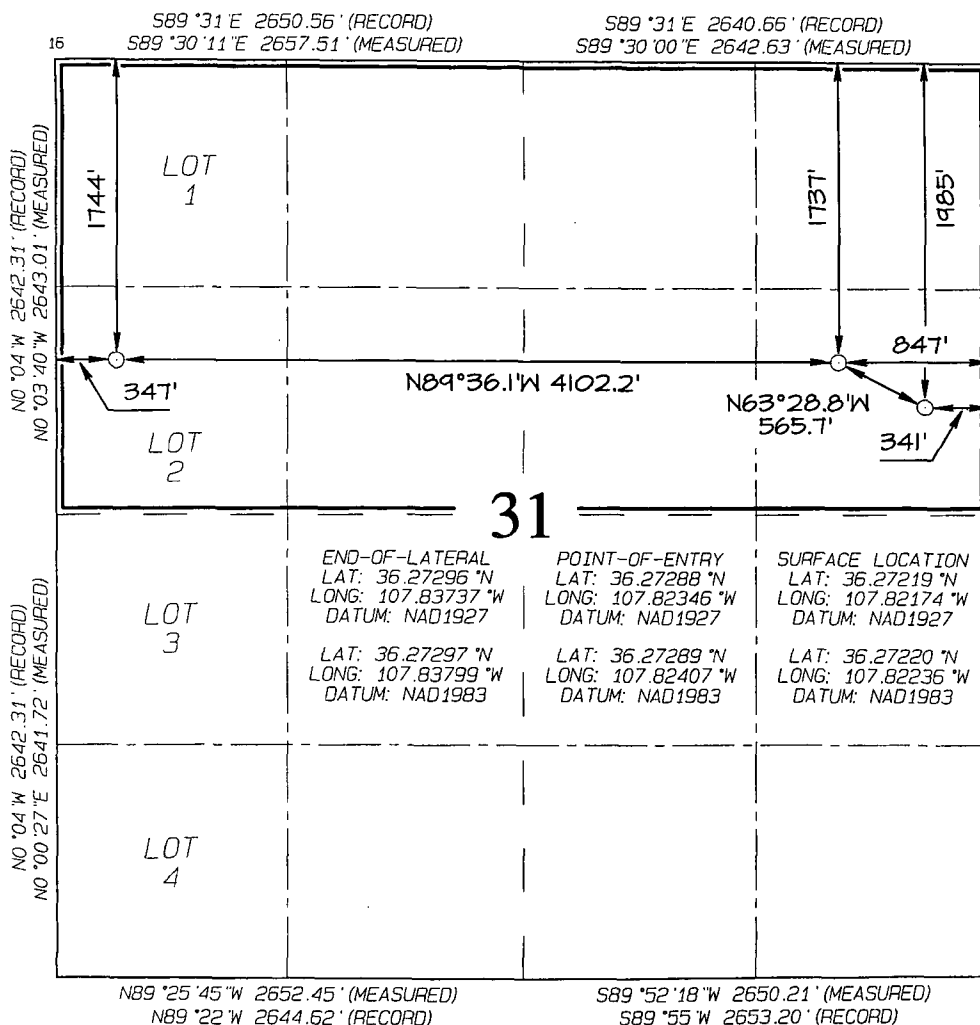
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	31	24N	9W	2	1744	NORTH	347	WEST	SAN JUAN

12 Dedicated Acres 320.84 Acres - (N/2)					13 Joint or Infill	14 Consolidation Code	15 Order No. ROVD AUG 16 '13 OIL CONS DIV.
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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

DIST. 3



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.

Signature: Holly Hill Date: 7/31/13

Printed Name: Holly Hill

E-mail Address: holly.hill@encana.com

18 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.

Date Revised: JUNE 27, 2013
Survey Date: FEBRUARY 9, 2012

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



April 25, 2013

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

ADMINISTRATIVE NON-STANDARD PRORATION UNIT ORDER

Administrative Order NSP-1966
Administrative Application Reference No. pPRG1309133293

Encana Oil & Gas (USA) Inc.
OGRID 282327

Dugan Production Company
OGRID 6515

Subject Pool: Bisti; Lower Gallup (Pool Code 5890)

**Subject Units: W/2 NW/4, E/2 NW/4 and E/2 NE/4 of Section 31,
 Township 24 North, Range 9 West, San Juan County, New Mexico**

Reference is made to your application received on March 28, 2013.

Encana Oil & Gas (USA) Inc. and Dugan Production Company (Applicants) have jointly requested an exception to Rule 2 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool, as adopted by Order No. R-1069-B, issued on January 17, 1958, to approve three non-standard, 80-acre oil spacing and proration units described above as the Subject Units. The said Rule provides that a standard spacing unit in the Subject Pool shall comprise 80 acres and consist of the N/2 or S/2 of a quarter section. Each of the proposed Subject Units comprises 80 acres, but is non-standard because each such unit consists of the E/2 or W/2 of a quarter section rather than the N/2 or S/2.

This application has been duly filed under the provisions of Rule 4 of the said Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool.

We understand that Applicants are seeking this exception in order to configure the units within the North half of Section 31 so that these units can be combined to form project areas for two proposed horizontal wells in this half section. At present, there exists a non-standard, 80-acre spacing unit in the North half of Section 31, comprising the W/2 NE/4 of that section, which is dedicated to Dugan Production Company's April Surprise Well No. 7 (API No. 30-045-29293), located 1050 feet FNL and 1520 feet FEL (Unit B) of Section 31. This fact precludes dedication of a standard spacing unit conforming to Rule 2 of the Special Pool Rules in the NE/4 of Section 31. If only one new non-standard unit were established consisting of the E/2 NE/4, the units would not be properly configured to form a project area for one-mile horizontal wells in the North half of Section 31.

It is also understood that Applicants have given due notice of this application to all persons to whom notice is required by Rule 4 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool.

Pursuant to the authority conferred by said Rule, the Subject Units are hereby approved.

The Subject Unit comprising the W/2 NW/4 will be dedicated to the following well operated by Dugan Production Company:

Fabulous Feb Well No. 1 (API No. 30-045-25920), located 790 feet FNL & 1120 FWL (Unit D) of Section 31.

The Subject Units, together with the existing non-standard W/2 NE/4 unit, shall be dedicated, as a project area, to the following proposed wells, to be operated by Encana Oil & Gas (USA) Inc.:

Escrito A31-2409 Well No. 1H (API No. 30-045-39390) having a surface location 959 feet FNL and 300 feet FEL (Unit A) and a bottom hole location 500 feet FNL and 330 feet FWL (Unit D) of Section 31; and

Escrito H31-2409 Well No. 1H (API No. 30-045-39391) having a surface location 1985 feet FNL and 341 feet FEL (Unit H) and a bottom hole location 1725 feet FNL and 330 feet FWL (Unit E) of Section 31.

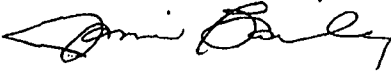
It is our understanding, with reference to the Escrito A31-2409 Well No. 1H, that although the surface location is unorthodox, the completed interval will be located within the applicable setbacks from the outer boundaries of the N/2 project area.

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].

April 25, 2013.
Page 3

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 flourish at the end.

Jami Bailey
Director

JB/db

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