

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



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date:

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other: _____

Well information

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E	Feet	NS	Fl
30-043-21122-00-00	LYBROOK H01 2206	001H	ENCANA OIL & GAS (USA) INC.	O	N	Sandoval	F	H	1	22	N	6	W	2323	N	497 E

Conditions of Approval:

Hold C-104 for as drilled plat, and directional survey
Notify NMOCD 24hrs prior to beginning operations.

NMOCD Approved by Signature

SEP 20 2013

Date

RECEIVED

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

AUG 29 2013

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

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. MNM 109385 6. Indian, Allottee or Tribe Name N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well [X] Oil Well [] Gas Well [] Other

7. If Unit of CA/Agreement, Name and/or No. N/A

2. Name of Operator Encana Oil & Gas (USA) Inc.

8. Well Name and No. Lybrook H01-2206 01H

3a. Address 370 17th Street, Suite 1700 Denver CO, 80202

3b. Phone No. (include area code) 720-876-3437

9. API Well No. 30-043-21122

10. Field and Pool or Exploratory Area Lybrook Gallup

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 2323' FNL and 497' FEL, Section 1, T22N R6W BHL: 2080' FNL and 330' FWL, Section 1, T22N R6W

11. Country or Parish, State Sandoval, NM

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

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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.

Encana Oil & Gas (USA) Inc. would like to change the mud system used in the lateral of the Lybrook H01-2206 01H well from synthetic oil-based mud to a low solid non-dispersed freshwater mud system. Please see attached sheet for details.

CONDITIONS OF APPROVAL Adhere to previously issued stipulations.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

RCVD SEP 9 '13 OIL CONS. DIV.

DIST. 3

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

Title Engineering Technologist

Signature [Handwritten Signature]

Date 8/28/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by William Tambekou 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.

Title Petroleum Engineer Date 8/30/2013 Office FFO

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)

NMOCDC

DRILLING FLUIDS PROGRAM

a) Vertical Pilot Hole:

Hole Size (in)	TVD (ft)	Mud Type	Density (lb/gal)	Viscosity (sec/qt)	Fluid Loss (cc)
30"	0-60'	Fresh Water	8.3-9.2	38-100	4-28
12 1/4"	0-500'	Fresh Water	8.4-8.6	60-70	NC
8 3/4"	500-5702'	Fresh Water LSND	8.5-8.8	40-50	8-10

b) Kick off Point to Intermediate Casing Point:

Hole Size (in)	TVD (ft)	Mud Type	Density (lb/gal)	Viscosity (sec/qt)	Fluid Loss (cc)
8 3/4"	4800' (KOP)- 5374' (5580'MD)	Fresh Water LSND	8.5-8.8	40-50	8-10

c) Intermediate Casing Point to TD:

Hole Size (in)	Depth (ft)	Mud Type	Density (lb/gal)	Viscosity (sec/qt)	Fluid Loss (cc)
6 1/8"	5580'MD- 9602'MD	Fresh Water LSND	8.5-8.8	40-50	4-8