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Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 12 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.

Farmington Field Of
Bureau of Land Management

5. Lease Serial No. NMINM 101058
6. Indian, Allottee or Tribe Name N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> 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. Good Times L10-2410 01H
3a. Address 370 17th Street, Suite 1700 Denver, CO 80202	9. API Well No. 30-045-35442
3b. Phone No. (include area code) 720-876-5331	10. Field and Pool or Exploratory Area Basin Mancos Gas Pool
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 1753' FSL, 199' FEL, NWSW of Section 10, T24N R10W BHL: 1753' FSL, 330' FWL NWSW Section 9, T24N R10W	11. County or Parish, State San Juan County, New Mexico

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 _____
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Installation of Gas Lift
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

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 recomplete 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 recompletion 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. is requesting authorization to install gas lift on the Good Times L10-2410 01H well pad. Attached is a schematic of the pad with gas lift, gas allocation method and a gas metering statement.

RCVD AUG 6 '13
OIL CONS. DIV.
DIST. 3

See attached Conditions of Approval

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Holly Hill	Title Regulatory Analyst
Signature <i>Holly Hill</i>	Date 07/10/2013

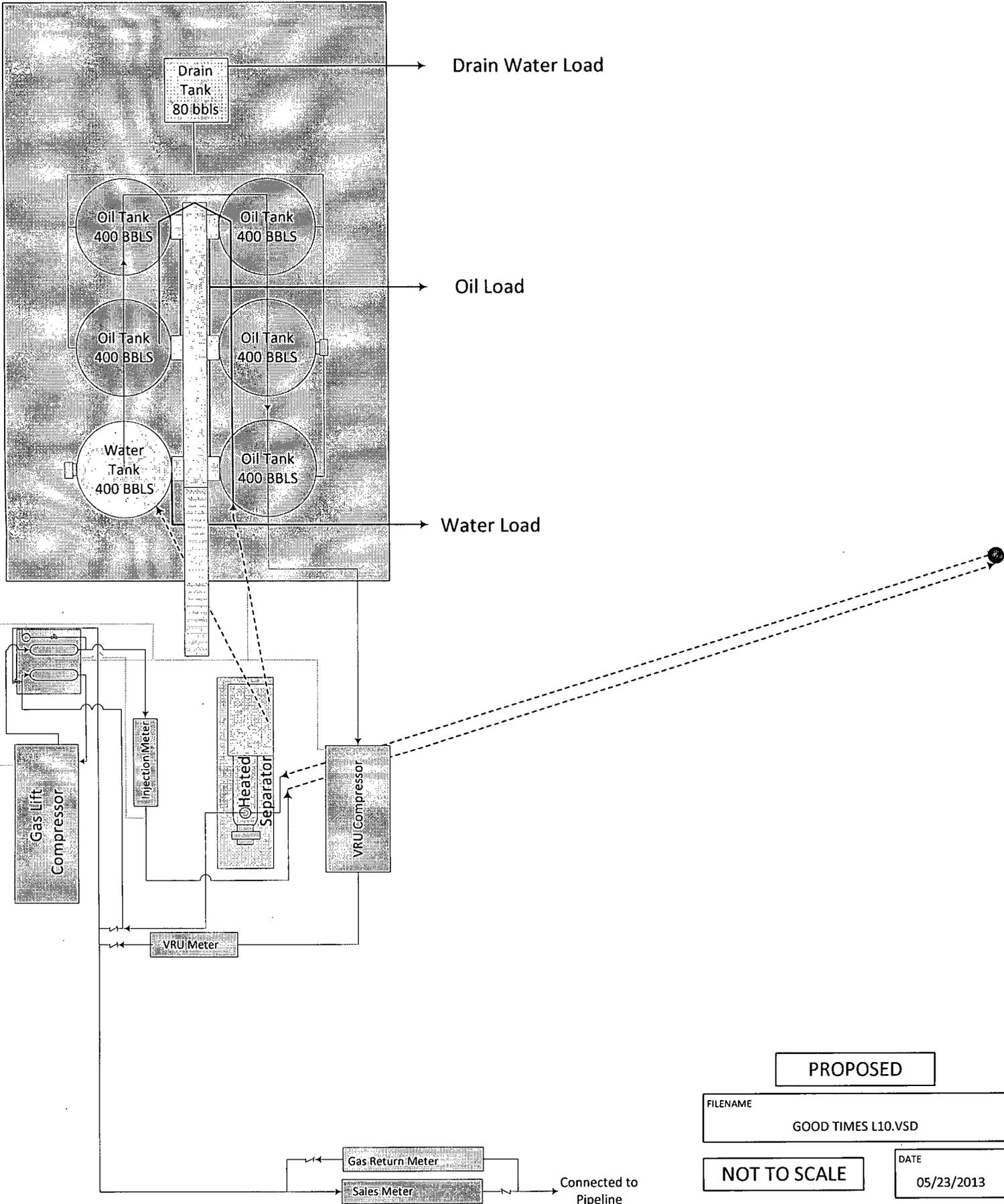
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title Petr. Eng.	Date 8/2/13
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)

NMOCDA



PROPOSED

FILENAME
GOOD TIMES L10.VSD

NOT TO SCALE

DATE
05/23/2013

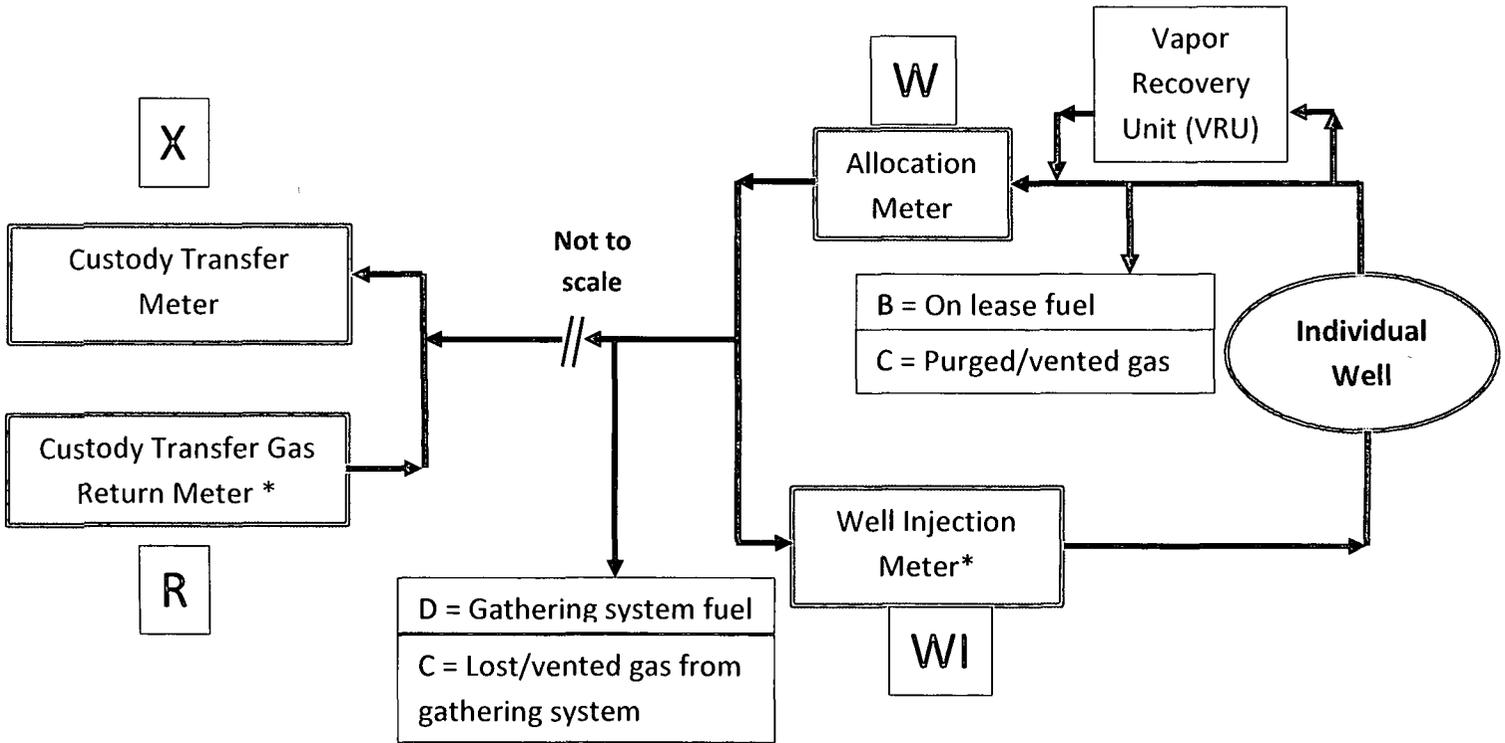
Gas Metering on Good Times L10-2410 01H with Gas Lift

The Good Times L10-2410 01H will have two additional gas meters installed for use with the gas lift system. The typical sales gas meter continues to be used for the same functionality as if the well did not have gas lift. The additional meters are a buy back meter and an injection (for information purposes only) meter.

The gas return meter is used to meter any gas that is brought back from the Enterprise Pipeline for kickoff and re-start purposes only. This meter will be installed parallel to the sales meter with check valves preventing back flow through either meter. The buy back volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no buy back gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and buy back meter are combined to determine the net sales volume.

The second additional meter on the pad is the injection meter which is used for metering the injection gas that is circulated through the wellbore. This meter is for informational / operational optimization purposes only. Since this meter is upstream of the sales meter, this meter is not used to calculate sales volumes.

Allocation Procedures
Good Times L10-2410 01H



*Meter will only be installed and active when gas lift is installed.

Base Data:

X = Gas Volume (MCF) from Custody Transfer Meter during allocation period. (Enterprise)

R = Gas Volume (MCF) from Custody Transfer Gas Return Meter (Enterprise)*

W = Gas Volume (MCF) from allocation meters at individual wells during allocation period. (Encana)

WI = Gas Volume (MCF) from well injection meter at individual wells during allocation period. (Encana)*

Y = Heating Value (BTU/scf) from Custody Transfer Meter and Custody Transfer Gas Return Meter during allocation period. (Enterprise)

Z = Heating Value (BTU/scf) from individual well allocation meter and well injection meter. (Encana)

Allocation Period is typically a calendar month and will be the same for all wells.

Individual Well Gas Production = A + B + C + D + E

A = Allocated Gas production off lease, MCF: $((W-WI) / \text{SUM}(W-WI)) * (X-R)$

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions. This includes, but is not limited to, compression, vapor recovery unit (VRU) compression, burners, and pump jacks.

C = Lost and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $(W-WI) / \text{SUM}(W-WI)$.

E = Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the individual wells affected using factors determined by $(W-WI) / \text{SUM}(W-WI)$.

Individual Well BTU's = $((W-WI)*Z) / \text{SUM}((W-WI)*Z) * Y$

Individual well gas heating values to be determined in accordance with BLM regulations.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
6252 College Blvd., Suite A
Farmington, New Mexico 87402

IN REPLY REFER TO:

CONDITIONS OF APPROVAL FOR GAS LIFT, BUY BACK METER AND CDP INSTALLATION:

- The buy-back meter isolation valve, either up or down stream of the buy-back meter must be effectively sealed in the closed position to prevent produced gas from potentially by-passing the measurement and sales meter. In lieu of the seal requirement at least two check valves can be installed immediately downstream of the buy-back meter to prevent produced gas from potentially by-passing the measurement and sales meter. .

Contact this office so a BLM witness verify installation of either the seal or check valves.

- If seals are installed, seal records must be maintained and made available upon request.
- Post a Facility sign at the CDP listing the following information:
 - Operator Name
 - Facility Name (i.e. Goodtimes L10-2410 01H CDP)
 - UL, S-T-R, County and State

Clearly identify both the sales and by-back meters.

- Should future system needs require separation and/or compression equipment at the CDP, any liquid hydrocarbons recovered at the CDP must be allocated back to each well in proportion to the well's allocated gas production. Any fuel used at the CDP and at the well sites must also be allocated back to each contributing well in proportion to each well's allocated gas production. Fuel to run the Vapor Recovery Unit (VRU)

must also be allocated back to each contributing well in proportion to each well's oil contribution and the vapors recovered.

- Production and Sales allocation must be made on a Volumetric and MMBTU basis and be conducted in accordance with the allocation methodology proposed.
- Measurement of gas at the well sites and the CDP must be conducted in accordance with the requirements outlined in Onshore Order No. 3, Site security, Onshore Order No. 4, Oil Measurement, Onshore Order No. 5, Gas Measurement and NM NTL 2008-01, Electronic Flow Measurement.
- In Order to prevent waste and conserve natural gas, periodic review of each well's venting procedures must be conducted in accordance with the requirements outlined in NTL-ADO-93-1. Vented gas must be allocated back to each well based on the well's proportionate vented volume. Any gas vapor recovery from the VRU must be allocated to each well in proportion to each well's oil production.
- No other wells can be added to this measurement system without the prior authorization of this office.
- Contact this office in the event of any lost hydrocarbons between the wells and the CDP.
- This office reserves the right to require audit records of all wells contributing to this CDP.
- Failure to operate this facility in accordance with the conditions outlined above and in accordance with your application will subject this approval to revocation. In addition, this office reserves the right to rescind this approval should future evaluation of this method of measurement indicate lost or reduced royalties.