

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

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.
NMNM 1129536. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2:

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Encana Oil & Gas (USA) Inc.

3a. Address

370 17th Street, Suite 1700
Denver CO, 80202

3b. Phone No. (include area code)

720-876-3989

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

N/A

8. Well Name and No.

Lybrook M27-2306 02H

9. API Well No.

30-043-21153

10. Field and Pool or Exploratory Area

Counselors Gallup-Dakota

11. Country or Parish, State

Sandoval, NM

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SHL: 931' FSL and 177' FWL, Section 27, T23N R6W
BHL: 1080' FSL and 700' FWL, Section 28, T23N R6W

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 <u>Flare Extension</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 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 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.)

Due to pipeline capacity and constraints, Encana Oil & Gas (USA) Inc. requests an exception from NTL 4A, III C and requests an extension for an additional 30 days (05/23/14) for the well referenced above. Encana will also be requesting an extension for the Lybrook E27-2306 01H, Lybrook E27-2306 03H, and Lybrook M27-2306 04H wells. Individual production rates for the wells are listed below.

LYBROOK E27-2306-01H: 2265 mcf/d 215 bopd 17.8% N₂ / LYBROOK E27-2306-03H: 2363 mcf/d 190 bopd 17.9% N₂
LYBROOK M27-2306-02H: 1956 mcf/d 138 bopd 12.1% N₂ / LYBROOK M27-2306-04H 2916 mcf/d 225 bopd 17.5% N₂

These wells tie-in to the Lybrook Trunk 1, which connects to Enterprise's 2C-161 gathering system. Enterprise will accept up to 13 MMCFD at no more than 20% N₂. Based on current production rates during flowback, as much as 18 MMCFD may be available for sales and it may be necessary to curtail or shut production in for a period of time. The request for the flare extension will allow these wells to continue to produce and cleanup the wells while the natural, early decline will minimize gas volumes subject to the pipeline capacity and constraints. Encana will flare only the volume of gas that exceeds the capacity constraints, not to exceed 5 MMCFD combined from these wells.

A current gas analysis is attached.

Encana will pay royalties on the hydrocarbon portion flared during the 30 day flare extension and after the extension ends, Encana will provide the FFO-BLM with an itemized report of the sold volume (oil and gas), flared volume and associated composite gas analysis.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Brenda R. Linster

Title Regulatory Lead

Approved pursuant to
NTL4A, Part IV B

Date 04/21/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Reg. Eng

Date

4/22/14

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 hereon.

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

Diablo Analytical BTU Report

Sample Information

Sample Information	
Sample Name	LYBROOK M27 O2H
TAKEN BY:	RICK BAIRD
METER #	
Method Name	RICKNGAH2S
Injection Date	4/17/2014 2:57:30 PM
Report Date	04/17/2014 03:01:12 PM
BTU Configuration File	hexanes plus.cfg
Data Source	Cerity data system connection
Instrument	G2801AGC - US10317001

Component Results

Component Name	Ret. Time	Peak Area	Normalized Mole%	Heating Value (Btu / cu. ft.)	Molar Mass Ratio (G)	GPM (Gal. / 1000 cu. ft.)
Nitrogen	0.478	52728	5.756	0.000	0.0557	0.6356
Methane	0.495	431017	67.896	687.335	0.3761	11.5542
Carbon Dioxide	0.647	2873	0.300	0.000	0.0046	0.0514
Ethane	0.727	138508	13.888	246.346	0.1442	3.7268
Hydrogen Sulfide	0.000	0	0.000	0.000	0.0000	
Propane	1.905	83678	7.639	192.665	0.1163	2.1119
i-Butane	0.307	31638	0.865	28.179	0.0174	0.2839
n-Butane	0.326	74490	2.041	66.730	0.0410	0.6459
i-Pentane	0.391	26979	0.696	27.895	0.0173	0.2556
n-Pentane	0.418	22666	0.520	20.902	0.0130	0.1892
Hexanes Plus	1.189	24273	0.400	20.569	0.0129	0.1743
Total:			100.000	1290.620	0.7983	19.6288

Results Summary

Result	Dry
Total Unnormalized Mole%	102.351
Pressure Base (psia)	14.730
Gross Heating Value (Btu / Ideal cu. ft.)	1290.620
Gross Heating Value (Btu / Real cu. ft.)	1295.861
Real Relative Density	0.80120
Gas Compressibility (Z) Factor	0.99596