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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 22 2014

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.
NMMN 36943
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 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 L29-2307 01H

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

3b. Phone No. (include area code)
720-876-3533

9. API Well No.
Pending 30-043-21232

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 1738' FSL, 768' FWL Section 29, Township 23N, Range 7W
BHL: 2220' FSL, 330' FWL Section 30, Township 23N, Range 7W

10. Field and Pool or Exploratory Area
Basin Mancos Gas

11. Country or Parish, State
Sandoval County, New Mexico

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

WBY

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 <u>Update Drilling Plan and Wellbore Diagram</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 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. (Encana) is submitting the following information for the Lybrook L29-2307 01H APD package:

1. Drilling Plan - Updated to include the correct depth for the 7" casing. The previously submitted Drilling Plan did not match the information on the Directional Drilling Plan. The plan was also updated with the correct cement volumes.
2. Wellbore Diagram - Updated to include the correct depth for the 7" casing. The previously submitted Wellbore Diagram did not match the information on the Directional Drilling Plan or Form 3160-3. The diagram was also updated with the correct cement volumes.

Please attach these updates to the Lybrook L29-2307 01H APD package.

OIL CONS. DIV DIST. 3

JUN 16 2014

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

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

Name (Printed/Typed)
Katie Wegner

Title Regulatory Analyst

Signature

Date 05/21/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy Salyers

Title Petroleum Engineer

Date 6/12/14

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 thereon.

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)

NMOC DIV

Lybrook L29-2307 01H
 SHL: NWSW Sec 29 T23N R7W
 1738' FSL, 768' FWL
 BHL: NWSW Sec 30 T23N R7W
 2220' FSL, 330' FWL
 Sandoval, New Mexico

**Encana Oil & Gas (USA) Inc.
 Drilling Plan**

1. ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD) units = feet
Ojo Alamo Ss.	882
Kirtland Shale	1,092
Fruitland Coal	1,360
Pictured Cliffs Ss.	1,478
Lewis Shale	1,600
Cliffhouse Ss.	2,294
Menefee Fn.	3,002
Point Lookout Ss.	3,836
Mancos Shale	4,040
Mancos Silt	4,561
Gallup Fn.	4,821

The referenced surface elevation is 6869', KB 6885'

2. ESTIMATED DEPTH OF POTENTIAL WATER, OIL, GAS, & OTHER MINERAL BEARING FORMATIONS

Substance	Formation	Depth (TVD) units = feet
Water/Gas	Fruitland Coal	1,360
Oil/Gas	Pictured Cliffs Ss.	1,478
Oil/Gas	Cliffhouse Ss.	2,294
Gas	Menefee Fn.	3,002
Oil/Gas	Point Lookout Ss.	3,836
Oil/Gas	Mancos Shale	4,040
Oil/Gas	Mancos Silt	4,561
Oil/Gas	Gallup Fn.	4,821

All shows of fresh water and minerals will be reported and protected.

3. PRESSURE CONTROL

- a) Pressure control equipment and configuration will be designed to meet 2M standards.
- b) Working pressure on rams and BOPE will be 3,000 psi.
- c) Function test and visual inspection of the BOP will be conducted daily and noted in the IADC Daily Drilling Report.
- d) The Annular BOP will be pressure tested to a minimum of 50 percent of its rated working pressure.
- e) Blind and Pipe Rams/BOP will be tested against a test plug to 100 percent of rated working pressure.
- f) Pressure tests are required before drilling out from under all casing strings set and cemented in place.

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- g) BOP controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned.
- h) BOP testing procedures and testing frequency will conform to Onshore Order No. 2.
- i) BOP remote controls shall be located on the rig floor at a location readily accessible to the driller. Master controls shall be on the ground at the accumulator and shall have the capability to function all preventers.
- j) The kill line shall be 2-inch minimum and contain two kill line valves, one of which shall be a check valve.
- k) The choke line shall be a 2-inch minimum and contain two choke line valves (2-inch minimum).
- l) The choke and manifold shall contain two adjustable chokes.
- m) Hand wheels shall be installed on all ram preventers.
- n) Safety valves and wrenches (with subs for drill string connections) shall be available on the rig floor at all times.
- o) Inside BOP or float sub shall also be available on the rig floor at all times.

Proposed BOP and choke manifold arrangements are attached.

4. CASING & CEMENTING PROGRAM

The proposed casing and cementing program has been designed to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. All indications of useable water shall be reported.

- a) The proposed casing design is as follows:

Casing	Depth (MD)	Hole Size	Csg Size	Weight	Grade
Conductor	0'-60'	30"	20"	94#	H40, STC New
Surface	0'-500'	12 1/4"	9 5/8"	36#	J55, STC New
Intermediate	0'-5983'	8 3/4"	7"	26#	J55, LTC New
Production Liner	5783'-10668'	6 1/8"	4 1/2"	11.6#	B80*, LTC New

Casing String				Casing Strength Properties			Minimum Design Factors		
Size	Weight (ppf)	Grade	Connection	Collapse (psi)	Burst (psi)	Tensile (1000lbs)	Collapse	Burst	Tension
9 5/8"	36	J55	STC	2020	3520	394	1.125	1.1	1.5
7"	26	J55	LTC	4320	4980	367	1.125	1.1	1.5
4.5"	11.6	B80	LTC	6350	7780	201	1.125	1.1	1.5

*B80 pipe specifications are attached

Casing design is subject to revision based on geologic conditions encountered

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1,500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

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b) The proposed cementing program is as follows

Casing	Depth (MD)	Cement Volume (sacks)	Cement Type & Yield	Designed TOC	Centralizers
Conductor	0'-60'	100 sks	Type I Neat 16 ppg	Surface	None
Surface	0'-500'	201 sks	Type III Cement + 1% CaCl + 0.25lb/sk Cello Flake + 0.2% FL, 16ppg, 1.38cuf/sk	Surface	1 per joint on bottom 3 joints
Intermediate	0'-5983'	30% open hole excess Stage 1 Lead: 292 sks Stage 1 Tail: 447 sks Stage 2 Lead: 145 sks	Lead (Stages 1 and 2): PremLite + 3% CaCl + 0.25lb/sk CelloFlake + 5lb/sk LCM, 12.1ppg 2.13cuf/sk Tail (Stage 1): Type III Cmt + 1% CaCl + 0.25lb/sk Cello Flake 14.5ppg 1.38cuf/sk	Surface	1 every 3 joints through water bearing zones
Production Liner	5783'-10668'	None - External Casing Packers	N/A	N/A	N/A

*Production liner clarification: Utilizing external swell casing packer system for zonal isolation will not use cement in the production liner

Actual volumes will be calculated and determined by conditions onsite. All cement slurries will meet or exceed minimum BLM and New Mexico Oil Conservation Division requirements. Slurries used will be the slurries listed above or equivalent slurries depending on service provider selected. Cement yields may change depending on slurries selected

All waiting on cement times shall be a minimum of 8 hours or adequate to achieve minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. WELL PLAN & DIRECTIONAL DRILLING PROGRAM

The proposed horizontal well will have a kick off point of 4537'. Directional plans are attached.

Description	Proposed Depth (TVD/MD)	Formation
Horizontal Lateral TD	5064'/10668'	Gallup

6. DRILLING FLUIDS PROGRAM

a) Surface through Intermediate Casing Point:

Hole Size (in)	Depth (TVD/MD)	Mud Type	Density (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
30"	0-60'/60'	Fresh Water	8.3-9.2	38-100	4-28
12 1/4"	0'-500'/500'	Fresh Water	8.4-8.6	60-70	NC
8 3/4"	500'/500'-5105'/5983'	Fresh Water LSND	9.5-8.8	40-50	8-10

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b) Intermediate Casing Point to TD:

Hole Size (in)	Depth (TVD/MD)	Mud Type	Density (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
6 1/8"	5105'/5983'- 5064'/10668'	Synthetic Oil Based Mud	8.6-9.0	15-25	<15

- c) There will be sufficient mud on location to control a blowout should one occur. Mud flow and volume will be monitored both visually and with electronic pit volume totalizers. Mud tests shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.
- d) A closed-loop system will be used to recover drilling fluid and dry cuttings in both phases of the well and on all hole intervals, including fresh water and oil-based operations. Above-ground tanks will be utilized to hold cuttings and fluids for rig operations. A frac tank will be on location to store fresh water. Waste will be disposed of properly at an EPA-approved hazardous waste facility. Fresh water cuttings will be disposed of at Basin Disposal, Inc. and/or Industrial Ecosystems, Inc. The location will be lined in accordance with the Surface Use Plan of Operations.

7. TESTING, CORING, & LOGGING

- a) Drill Stem Testing - None anticipated.
- b) Coring - None anticipated.
- c) Mudd Logging - Mud loggers will be on location from kick off point to TD.
- d) Logging - See below

Cased Hole:

CBL/CCL/GR/VDL will be run as needed for perforating control

8. ABNORMAL PRESSURES & HYDROGEN SULFIDE

The anticipated bottom hole pressure is +/- 2393 psi based on a 9.0 ppg at 5114' TVD of the horizontal lateral target. No abnormal pressure or temperatures are anticipated.

No hydrogen sulfide gas is anticipated, however, if H₂S is encountered, the guidelines in Onshore Order No. 6 will be followed.

9. ANTICIPATED START DATE AND DURATION OF OPERATIONS

Drilling is estimated to commence on January 1, 2014. It is anticipated that completion operations will begin within 30 days after the well has been drilled depending on fracture treatment schedules with various pumping service companies.

It is anticipated that the drilling of this well will take approximately 20 days.

LOC: NE/4 SE/4 Sec 30 T23N R7W, 2220		Encana Natural Gas				ENG: S Kuykendall 5/21/14		
County: Sandoval		WELL SUMMARY				RIG: Aztec 950		
WELL: Lybrook L29-2307 01H						GLE: 6869		
						RKBE: 6885		
MWD LWD	OPEN HOLE LOGGING	FORM	DEPTH		HOLE SIZE	CASING SPECS	MW MUD TYPE	DEVIATION INFORMATION
			TVD	MD				
			60	60'		20" 94# 100sx Type I Neat 16.0ppg cmt	Fresh wtr 8.3-9.2	
Multi-Well pad - take survey every stand and run anti-collision report prior to spud	None					9 5/8" 36ppf J55 STC	Fresh wtr 8.4-8.6	Vertical <1°
		Nacimiento 9 5/8" Csg	0 500	500.00		TOC Surface - 201 sks of Type III Cement		
Survey Every 60'-120', updating anticollision report after surveys. Stop operations and contact drilling engineer if separation factor approaches 1.5	No OH logs	Ojo Alamo Ss. Kirtland Shale Fruitland Coal Pictured Cliffs Ss. Lewis Shale Cliffhouse Ss. Menefee Fn. Point Lookout Ss. Mancos Shale	882 1,092 1,360 1,478 1,600 2,294 3,002 3,836 4,040		Stage tool @ ~ 1,650	7" 26ppf J55 LTC TOC @ surface 30% OH excess: 739 sksTotal. Stage 1 Lead: 292 sks Premium Lite FM + 3% CaCl2 + 0.25/sk Cello Flake + 5#/sk LCM-1 + 8% Bentonite + 0.4% FL-52A + 0.4% Sodium Metasilicate. Mixed at 12.1 ppg. Yield 2.13 cuft/sk. Stage 1 Tail: 447 sks Type III Cement + 1% CaCl2 + 0.25#/sk Cello Flake + 0.2% FL-52A. Mixed at 14.6 ppg. Yield 1.38 cuft/sk. Stage 2: 145 sks Premium Lite FM + 3% CaCl2 + 0.25/sk Cello Flake + 5#/sk LCM-1 + 8% Bentonite + 0.4% FL-52A + 0.4% Sodium Metasilicate. Mixed at 12.1 ppg. Yield 2.13 cuft/sk.	Fresh Wtr 8.5-8.8	Vertical <1°
Surveys every 30' through the curve	Mud logger onsite	KOP Mancos Silt Gallup Fn. 7" Csg	4,537 4,561 4,821 5,105	4,536.8 5,983.0				
Surveys every stand to TD unless directed otherwise by Geologist	No OH Logs	Horizontal Target TD Base Gallup	5,114 5,064 5,143	10,667.5		6 1/8 200' overlap at liner top 4685' Drilled Lateral	Horizontal Inclination Horizontal TVD 8.6-9.0 OBM	Horz Inc/TVD /90.5 deg TD = 10,667.5 MD
MWD Gamma Directional						4 1/2" 11.6ppf SB80 LTC Running external swellable csg packers for isolation of prod string Plan on setting top packer within 100' of intermediate casing shoe	Switch to OBM 8.6-9.0	

NOTES:

- 1) Drill with 30" bit to 60', set 20" 94# conductor pipe
- 2) Drill surface to 500', R&C 9 5/8" casing
- 3) N/U BOP and surface equipment
- 4) Drill to KOP of 4537', 8 3/4 inch holesize
- 5) PU directional tools and start curve at 10deg/100' build rate
- 6) Drill to csg point of 5983' MD
- 7) R&C 7" csg, circ cmt to surface, switch to OBM
- 8) Land at 90 deg, drill lateral to 10668' run 4 1/2 inch liner with external swellable csg packers