

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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: 10/10/2014

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner
30-043-21208-00-00	GALLO CANYON UNIT O27 2306	002H	ENCANA OIL & GAS (USA) INC.	O	N	Sandoval	F

Application Type:

- ☐ P&A ☒ Drilling/Casing Change ☐ Location Change
- ☐ Recomplete/DHC (For hydraulic fracturing operations review EPA
Underground injection control Guidance #84)
- ☐ Other:

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations, casing & cement

Hold C-104 for directional survey & "As Drilled" Plat

See APD Conditions of approval regarding Hydraulic Fracturing, Oil base muds and Well-bore communication.

Charlie T. Larrin

NMOCD Approved by Signature

10-17-2014
Date

CONFIDENTIAL

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
NMNM 17009; NMNM 118128; V0 9212

6. If Indian, Allottee or Tribe Name
N/A
RCVD OCT 17 '14
OIL CONS. DIV.

SUBMIT IN TRIPLICATE - Other Instructions on page 2 OCT 14 2014

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)
720-876-5867

7. If Unit of CA/Agreement, Name and/or No
NMNM 131017X DIST. 3

8. Well Name and No.
Gallo Canyon Unit O27-2306 02H

9. APL Well No.
30-043-21208

10. Field and Pool or Exploratory Area
Counselors Gallup-Dakota

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 30' FSL and 2014' FEL Section 27, T23N, R6W
BHL: 330' FSL and 990' FWL Section 35, T23N, R6W

11. County or Parish, State
San Juan County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 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) wishes to modify the drilling plan for the Gallo Canyon Unit O27-2306 02H well to cement the 4 1/2" production liner, instead of running open hole swell packers, as previously planned. Attached is an updated Directional Drilling Plan, 10-Point Drilling Plan and Wellbore Diagram that reflect this change. Please note, the 7" ICP was also moved from approximately 72 degrees to approximately 55 degrees.

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**

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

Cristi Bauer

Title Operations Technician

Signature

Cristi Bauer

Date

10/10/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

10/14/2014

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)

NMOCDA

LOC: GCU O27-2306 02H County: Sandoval WELL: GCU O27-2306 02H			Encana Natural Gas WELL SUMMARY				ENG: Sydney Kuyke 10/10/14 RIG: Unassigned GLE: 6984 RKBE: 7000		
MWD LWD	OPEN HOLE LOGGING	FORM	DEPTH			HOLE SIZE	CASING SPECS	MW MUD TYPE	DEVIATION INFORMATION
			TVD	MD					
			60	60'		26	16" 42.09# 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	San Jose Fn.	0			12 1/4	9 5/8" 36ppf J55 STC TOC Surface with 100% OH Excess: 228 sks Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52A + 58.9% Fresh Water.	Fresh wtr 8.3-10	Vertical <1°
		Nacimiento 9 5/8" Csg	0 500	500.00					
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 Kirtland Shale	1,366 1,515			8 3/4	7" 26ppf J55 LTC TOC @ surface (100% OH excess - 70% Lead 30% Tail) Stage 1 Total: 951sks Stage 1 Lead: 541 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 8.3-10	Vertical <1°
		Pictured Cliffs Ss. Lewis Shale	1,920 2,048						
Surveys every 30' through the curve	Mud logger onsite	Cliffhouse Ss. Menefee Fn.	2,739 3,470						
		Point Lookout Ss. Mancos Shale	4,184 4,352						
		KOP	2,500	2,500					
		Mancos Silt	4,961						
		Gallup Fn.	5,233						
		7" Csg	5,351	5,794'					
Surveys every stand to TD unless directed otherwise by Geologist	No OH Logs	Horizontal Target TD	5,485 5,457	12,682		6 1/8	100' overlap at liner top		Horz Inc/TVD 90.2 degdeg/5485ft
		Base Gallup	5,531				6889' Drilled Lateral		
MWD Gamma Directional							4 1/2" 11.6ppf SB80 LTC TOC @ hanger (50% OH excess) Stage 1 Total: 390sks Stage 1 Blend: 390 sks Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwoc Potassium Chloride + 0.25lbs/sack Cello Flake + 0.5% bwoc CD-32 + 1.15% bwoc FL- 52A + 60 lbs/sack Calcium Carbonate + 124.4% Fresh Water. Yield 2.63 cuft/sk.	WBM 8.3-10	

NOTES:

- 1) Drill with 26" bit to 60', set 16" 42.09ppf 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 2500', 8 3/4 inch holesize
- 5) Start curve at 10deg/100' build rate
- 6) Drill to csg point of 5794' MD
- 7) R&C 7" csg, circ cmt to surface
- 8) Land at ~90 deg, drill lateral to 12682' run 4 1/2 inch cemented liner

GCU O27-2306 02H

SHL: SW/4 SE/4 Sec 27 T23N R6W, 30' FSL, 2014' FEL

BHL: SE/4 SE/4 Sec 35 T23N R6W, 330' FSL, 990' FEL

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
Nacimiento	0
Ojo Alamo	1,366
Kirtland Shale	1,515
Fruitland Coal	1,678
Pictured Cliffs Ss.	1,920
Lewis Shale	2,048
Cliffhouse Ss.	2,739
Menefee Fn.	3,470
Point Lookout Ss.	4,184
Mancos Shale	4,352
Mancos Silt	4,961
Gallup Fn.	5,233
Horizontal Target	5,485

The referenced surface elevation is 6984', KB 7000'

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

Substance	Formation	Depth (TVD) units = feet
Water/Gas	Fruitland Coal	1,678
Oil/Gas	Pictured Cliffs Ss.	1,920
Oil/Gas	Cliffhouse Ss.	2,739
Gas	Menefee Fn.	3,470
Oil/Gas	Point Lookout Ss.	4,184
Oil/Gas	Mancos Shale	4,352
Oil/Gas	Mancos Silt	4,961
Oil/Gas	Gallup Fn.	5,233

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

GCU O27-2306 02H

SHL: SW/4 SE/4 Sec 27 T23N R6W, 30' FSL, 2014' FEL

BHL: SE/4 SE/4 Sec 35 T23N R6W, 330' FSL, 990' FEL

Sandoval, New Mexico

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.
- 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'	26"	16"	42.09#	
Surface	0'-500'	12 1/4"	9 5/8"	36#	J55, STC New
Intermediate	0'-5794'	8 3/4"	7"	26#	J55, LTC New
Production Liner	5694'-12682'	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

GCU O27-2306 02H

SHL: SW/4 SE/4 Sec 27 T23N R6W, 30' FSL, 2014' FEL

BHL: SE/4 SE/4 Sec 35 T23N R6W, 330' FSL, 990' FEL

Sandoval, New Mexico

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.

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'	228 sks	Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52A + 58.9% Fresh Water	Surface	1 per joint on bottom 3 joints
Intermediate	0'-5794'	100% open hole excess Stage 1 Lead: 541 sks Stage 1 Tail: 410 sks	Lead: PremLite + 3% CaCl + 0.25lb/sk CelloFlake + 5lb/sk LCM, 12.1ppg 2.13cuft/sk Tail: Type III Cmt + 1% CaCl + 0.25lb/sk Cello Flake 14.5ppg 1.38cuft/sk	Surface	1 every 3 joints through water bearing zones
Production Liner	5694'-12682'	50% OH excess Stage 1 Blend Total: 390sks	Blend: Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwow Potassium Chloride + 0.25lbs/sack Cello Flake + 0.5% bwoc CD-32 + 1.15% bwoc FL- 52A + 60 lbs/sack Calcium Carbonate + 124.4% Fresh Water. Yield 2.63 cuft/sk	Liner Hanger	N/A

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 2500'. Directional plans are attached.

Description	Proposed Depth (TVD/MD)	Formation
Horizontal Lateral TD	5457'/12682'	Gallup

GCU O27-2306 02H

SHL: SW/4 SE/4 Sec 27 T23N R6W, 30' FSL, 2014' FEL

BHL: SE/4 SE/4 Sec 35 T23N R6W, 330' FSL, 990' FEL

Sandoval, New Mexico

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	8.3-10	60-70	NC
8 3/4"	500'/500'-5351'/5794'	Fresh Water LSND	8.3-10	40-50	8-10

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"	5351'/5794'- 5457'/12682'	Fresh Water LSND	8.3-10	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. 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

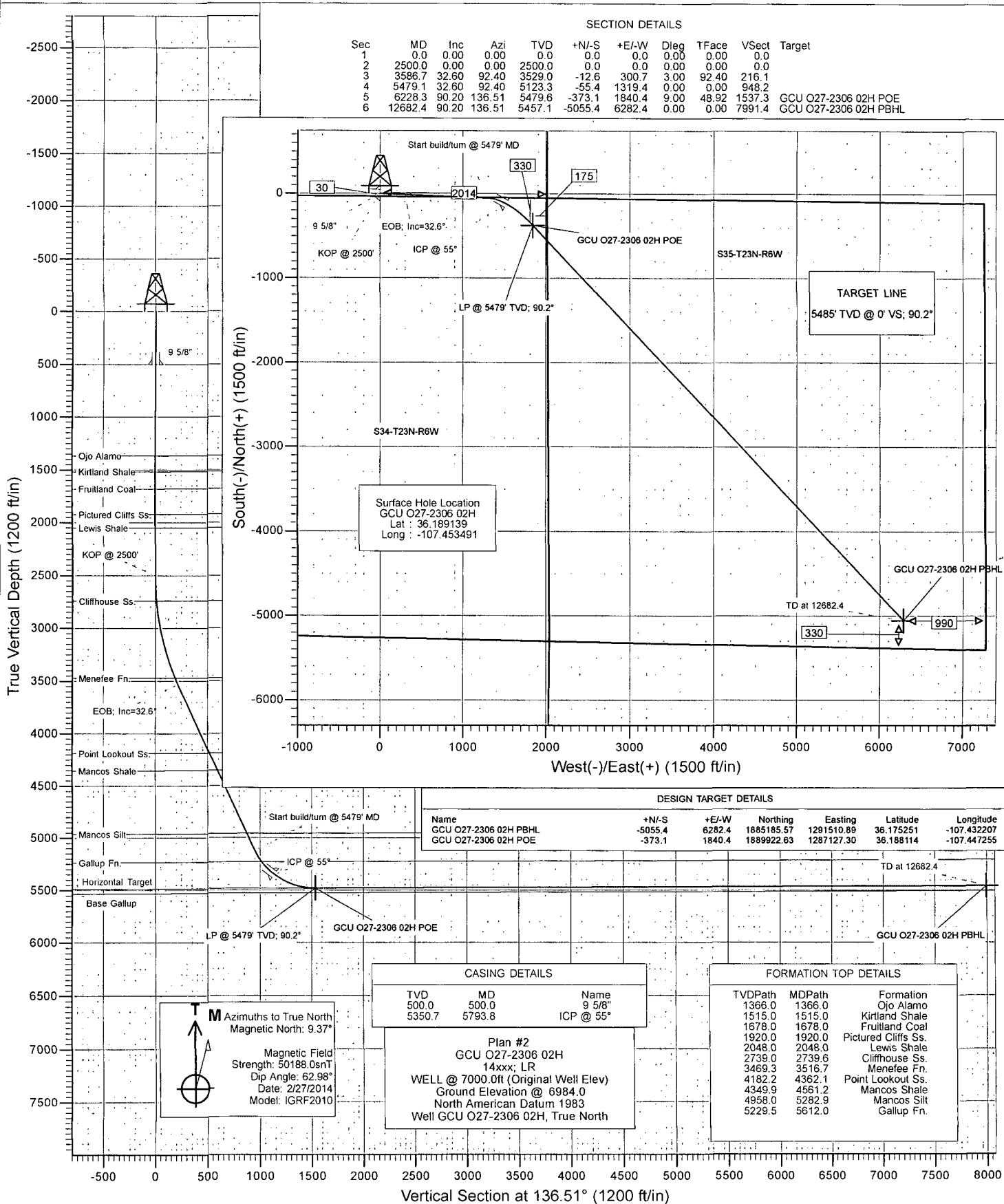
The anticipated bottom hole pressure is +/- 2567 psi based on a 9.0 ppg at 5485' TVD of the horizontal lateral target. No abnormal pressure or temperatures are anticipated.

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 November 5, 2015. 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.



Planning Report

Database: USA EDM 5000 Multi Users DB	Local Co-ordinate Reference: Well GCU O27-2306 02H
Company: EnCana Oil & Gas (USA) Inc	TVD Reference: WELL @ 7000.0ft (Original Well Elev)
Project: Sandoval County, NM	MD Reference: WELL @ 7000.0ft (Original Well Elev)
Site: S27-T23N-R6W	North Reference: True
Well: GCU O27-2306 02H	Survey Calculation Method: Minimum Curvature
Wellbore: Hz	
Design: Plan #2	

Project: Sandoval County, NM	
Map System: US State Plane 1983	System Datum: Mean Sea Level
Geo Datum: North American Datum 1983	
Map Zone: New Mexico Central Zone	

Site: S27-T23N-R6W	
Site Position:	Northing: 1,890,314.91 ft
From: Lat/Long	Latitude: 36.189128
	Easting: 1,285,261.84 ft
	Longitude: -107.453592
Position Uncertainty: 0.0 ft	Slot Radius: 13.200 in
	Grid Convergence: -0.71 °

Well: GCU O27-2306 02H	
Well Position +N/-S 0.0 ft	Northing: 1,890,318.54 ft
+E/-W 0.0 ft	Latitude: 36.189139
	Easting: 1,285,291.69 ft
	Longitude: -107.453491
Position Uncertainty 0.0 ft	Wellhead Elevation: ft
	Ground Level: 6,984.0 ft

Wellbore: Hz	
Magnetics	Model Name Sample Date Declination (°) Dip Angle (°) Field Strength (nT)
	IGRF2010 2/27/2014 9.37 62.98 50,188

Design: Plan #2	
Audit Notes:	
Version:	Phase: PLAN Tie On Depth: 0.0
Vertical Section:	Depth From (TVD) (ft) +N/-S (ft) +E/-W (ft) Direction (°)
	0.0 0.0 0.0 136.51

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.00	0.00	0.00	0.00	
3,586.7	32.60	92.40	3,529.0	-12.6	300.7	3.00	3.00	0.00	92.40	
5,479.1	32.60	92.40	5,123.3	-55.4	1,319.4	0.00	0.00	0.00	0.00	
6,228.3	90.20	136.51	5,479.6	-373.1	1,840.4	9.00	7.69	5.89	48.92	GCU O27-2306 02H f
12,682.4	90.20	136.51	5,457.1	-5,055.4	6,282.4	0.00	0.00	0.00	0.00	GCU O27-2306 02H f

Planning Report

Database: USA EDM 5000 Multi Users DB
 Company: EnCana Oil & Gas (USA) Inc
 Project: Sandoval County, NM
 Site: S27-T23N-R6W
 Well: GCU O27-2306 02H
 Wellbore: Hz
 Design: Plan #2

Local Co-ordinate Reference: Well GCU O27-2306 02H
 TVD Reference: WELL @ 7000.0ft (Original Well Elev)
 MD Reference: WELL @ 7000.0ft (Original Well Elev)
 North Reference: True
 Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	9 5/8"
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	
1,366.0	0.00	0.00	1,366.0	0.0	0.0	0.0	0.00	0.00	Ojo Alamo
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	
1,515.0	0.00	0.00	1,515.0	0.0	0.0	0.0	0.00	0.00	Kirtland Shale
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	
1,678.0	0.00	0.00	1,678.0	0.0	0.0	0.0	0.00	0.00	Fruitland Coal
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	
1,920.0	0.00	0.00	1,920.0	0.0	0.0	0.0	0.00	0.00	Pictured Cliffs Ss.
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	
2,048.0	0.00	0.00	2,048.0	0.0	0.0	0.0	0.00	0.00	Lewis Shale
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	KOP @ 2500'
2,600.0	3.00	92.40	2,600.0	-0.1	2.6	1.9	3.00	3.00	
2,700.0	6.00	92.40	2,699.6	-0.4	10.5	7.5	3.00	3.00	
2,739.6	7.19	92.40	2,739.0	-0.6	15.0	10.8	3.00	3.00	Cliffhouse Ss.
2,800.0	9.00	92.40	2,798.8	-1.0	23.5	16.9	3.00	3.00	
2,900.0	12.00	92.40	2,897.1	-1.7	41.7	30.0	3.00	3.00	
3,000.0	15.00	92.40	2,994.3	-2.7	65.0	46.7	3.00	3.00	
3,100.0	18.00	92.40	3,090.2	-3.9	93.4	67.1	3.00	3.00	
3,200.0	21.00	92.40	3,184.4	-5.3	126.7	91.1	3.00	3.00	
3,300.0	24.00	92.40	3,276.8	-6.9	165.0	118.6	3.00	3.00	
3,400.0	27.00	92.40	3,367.1	-8.7	208.0	149.5	3.00	3.00	
3,500.0	30.00	92.40	3,454.9	-10.7	255.7	183.7	3.00	3.00	
3,516.7	30.50	92.40	3,469.3	-11.1	264.0	189.8	3.00	3.00	Menefee Fn.
3,586.7	32.60	92.40	3,529.0	-12.6	300.7	216.1	3.00	3.00	EOB; Inc=32.6°
3,600.0	32.60	92.40	3,540.2	-12.9	307.8	221.2	0.00	0.00	
3,700.0	32.60	92.40	3,624.5	-15.2	361.6	259.9	0.00	0.00	
3,800.0	32.60	92.40	3,708.7	-17.4	415.5	298.6	0.00	0.00	
3,900.0	32.60	92.40	3,792.9	-19.7	469.3	337.3	0.00	0.00	
4,000.0	32.60	92.40	3,877.2	-22.0	523.1	376.0	0.00	0.00	
4,100.0	32.60	92.40	3,961.4	-24.2	577.0	414.7	0.00	0.00	
4,200.0	32.60	92.40	4,045.7	-26.5	630.8	453.3	0.00	0.00	
4,300.0	32.60	92.40	4,129.9	-28.7	684.6	492.0	0.00	0.00	

Planning Report

Database: USA EDM 5000 Multi Users DB
 Company: EnCana Oil & Gas (USA) Inc
 Project: Sandoval County, NM
 Site: S27-T23N-R6W
 Well: GCU O27-2306 02H
 Wellbore: Hz
 Design: Plan #2

Local Co-ordinate Reference: Well GCU O27-2306 02H
 TVD Reference: WELL @ 7000.0ft (Original Well Elev)
 MD Reference: WELL @ 7000.0ft (Original Well Elev)
 North Reference: True
 Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
4,362.1	32.60	92.40	4,182.2	-30.1	718.0	516.0	0.00	0.00	Point Lookout Ss.
4,400.0	32.60	92.40	4,214.2	-31.0	738.5	530.7	0.00	0.00	
4,500.0	32.60	92.40	4,298.4	-33.3	792.3	569.4	0.00	0.00	
4,561.2	32.60	92.40	4,349.9	-34.6	825.2	593.1	0.00	0.00	Mancos Shale
4,600.0	32.60	92.40	4,382.7	-35.5	846.1	608.1	0.00	0.00	
4,700.0	32.60	92.40	4,466.9	-37.8	900.0	646.8	0.00	0.00	
4,800.0	32.60	92.40	4,551.1	-40.0	953.8	685.5	0.00	0.00	Mancos Silt
4,900.0	32.60	92.40	4,635.4	-42.3	1,007.6	724.2	0.00	0.00	
5,000.0	32.60	92.40	4,719.6	-44.5	1,061.5	762.9	0.00	0.00	
5,100.0	32.60	92.40	4,803.9	-46.8	1,115.3	801.5	0.00	0.00	Mancos Silt
5,200.0	32.60	92.40	4,888.1	-49.1	1,169.1	840.2	0.00	0.00	
5,282.9	32.60	92.40	4,958.0	-50.9	1,213.8	872.3	0.00	0.00	
5,300.0	32.60	92.40	4,972.4	-51.3	1,223.0	878.9	0.00	0.00	Mancos Silt
5,400.0	32.60	92.40	5,056.6	-53.6	1,276.8	917.6	0.00	0.00	
5,479.1	32.60	92.40	5,123.3	-55.4	1,319.4	948.2	0.00	0.00	
5,500.0	33.86	94.94	5,140.7	-56.1	1,330.8	956.6	9.00	6.04	Start build/turn @ 5479' MD
5,600.0	40.49	105.06	5,220.4	-67.0	1,390.0	1,005.2	9.00	6.63	
5,612.0	41.34	106.08	5,229.5	-69.1	1,397.6	1,012.0	9.01	7.07	
5,700.0	47.79	112.65	5,292.2	-89.7	1,455.7	1,066.9	9.00	7.33	Gallup Fn.
5,793.8	55.00	118.29	5,350.7	-121.3	1,521.7	1,135.3	9.00	7.68	
5,800.0	55.48	118.62	5,354.2	-123.8	1,526.2	1,140.2	8.98	7.81	
5,900.0	63.41	123.57	5,405.1	-168.3	1,599.8	1,223.1	9.00	7.93	ICP @ 55°
6,000.0	71.49	127.86	5,443.4	-222.3	1,674.6	1,313.8	9.00	8.08	
6,100.0	79.66	131.77	5,468.3	-284.3	1,748.9	1,409.9	9.00	8.17	
6,200.0	87.87	135.47	5,479.1	-352.8	1,820.7	1,509.0	9.00	8.21	LP @ 5479' TVD; 90.2° - GCU O27-2306 02H F
6,228.3	90.20	136.51	5,479.6	-373.1	1,840.4	1,537.3	9.00	8.23	
6,300.0	90.20	136.51	5,479.3	-425.2	1,889.8	1,609.0	0.00	0.00	
6,400.0	90.20	136.51	5,479.0	-497.7	1,958.6	1,709.0	0.00	0.00	
6,500.0	90.20	136.51	5,478.7	-570.2	2,027.4	1,809.0	0.00	0.00	
6,600.0	90.20	136.51	5,478.3	-642.8	2,096.2	1,909.0	0.00	0.00	
6,700.0	90.20	136.51	5,478.0	-715.3	2,165.1	2,009.0	0.00	0.00	
6,800.0	90.20	136.51	5,477.6	-787.9	2,233.9	2,109.0	0.00	0.00	
6,900.0	90.20	136.51	5,477.3	-860.4	2,302.7	2,209.0	0.00	0.00	
7,000.0	90.20	136.51	5,476.9	-933.0	2,371.5	2,309.0	0.00	0.00	
7,100.0	90.20	136.51	5,476.6	-1,005.5	2,440.3	2,409.0	0.00	0.00	
7,200.0	90.20	136.51	5,476.2	-1,078.1	2,509.2	2,509.0	0.00	0.00	
7,300.0	90.20	136.51	5,475.9	-1,150.6	2,578.0	2,609.0	0.00	0.00	
7,400.0	90.20	136.51	5,475.5	-1,223.2	2,646.8	2,709.0	0.00	0.00	
7,500.0	90.20	136.51	5,475.2	-1,295.7	2,715.6	2,809.0	0.00	0.00	
7,600.0	90.20	136.51	5,474.8	-1,368.3	2,784.5	2,909.0	0.00	0.00	
7,700.0	90.20	136.51	5,474.5	-1,440.8	2,853.3	3,009.0	0.00	0.00	
7,800.0	90.20	136.51	5,474.1	-1,513.4	2,922.1	3,109.0	0.00	0.00	
7,900.0	90.20	136.51	5,473.8	-1,585.9	2,990.9	3,209.0	0.00	0.00	
8,000.0	90.20	136.51	5,473.4	-1,658.5	3,059.8	3,309.0	0.00	0.00	
8,100.0	90.20	136.51	5,473.1	-1,731.0	3,128.6	3,409.0	0.00	0.00	
8,200.0	90.20	136.51	5,472.7	-1,803.6	3,197.4	3,509.0	0.00	0.00	
8,300.0	90.20	136.51	5,472.4	-1,876.1	3,266.2	3,609.0	0.00	0.00	
8,400.0	90.20	136.51	5,472.0	-1,948.7	3,335.1	3,709.0	0.00	0.00	
8,500.0	90.20	136.51	5,471.7	-2,021.2	3,403.9	3,809.0	0.00	0.00	
8,600.0	90.20	136.51	5,471.3	-2,093.7	3,472.7	3,909.0	0.00	0.00	
8,700.0	90.20	136.51	5,471.0	-2,166.3	3,541.5	4,009.0	0.00	0.00	
8,800.0	90.20	136.51	5,470.6	-2,238.8	3,610.4	4,109.0	0.00	0.00	

Planning Report

Database: USA EDM 5000 Multi Users DB
 Company: EnCana Oil & Gas (USA) Inc
 Project: Sandoval County, NM
 Site: S27-T23N-R6W
 Well: GCU O27-2306 02H
 Wellbore: Hz
 Design: Plan #2

Local Co-ordinate Reference: Well GCU O27-2306 02H
 TVD Reference: WELL @ 7000.0ft (Original Well Elev)
 MD Reference: WELL @ 7000.0ft (Original Well Elev)
 North Reference: True
 Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
8,900.0	90.20	136.51	5,470.3	-2,311.4	3,679.2	4,209.0	0.00	0.00	
9,000.0	90.20	136.51	5,469.9	-2,383.9	3,748.0	4,309.0	0.00	0.00	
9,100.0	90.20	136.51	5,469.6	-2,456.5	3,816.8	4,409.0	0.00	0.00	
9,200.0	90.20	136.51	5,469.2	-2,529.0	3,885.7	4,509.0	0.00	0.00	
9,300.0	90.20	136.51	5,468.9	-2,601.6	3,954.5	4,609.0	0.00	0.00	
9,400.0	90.20	136.51	5,468.5	-2,674.1	4,023.3	4,709.0	0.00	0.00	
9,500.0	90.20	136.51	5,468.2	-2,746.7	4,092.1	4,809.0	0.00	0.00	
9,600.0	90.20	136.51	5,467.8	-2,819.2	4,161.0	4,909.0	0.00	0.00	
9,700.0	90.20	136.51	5,467.5	-2,891.8	4,229.8	5,009.0	0.00	0.00	
9,800.0	90.20	136.51	5,467.1	-2,964.3	4,298.6	5,109.0	0.00	0.00	
9,900.0	90.20	136.51	5,466.8	-3,036.9	4,367.4	5,209.0	0.00	0.00	
10,000.0	90.20	136.51	5,466.5	-3,109.4	4,436.3	5,309.0	0.00	0.00	
10,100.0	90.20	136.51	5,466.1	-3,182.0	4,505.1	5,409.0	0.00	0.00	
10,200.0	90.20	136.51	5,465.8	-3,254.5	4,573.9	5,509.0	0.00	0.00	
10,300.0	90.20	136.51	5,465.4	-3,327.1	4,642.7	5,609.0	0.00	0.00	
10,400.0	90.20	136.51	5,465.1	-3,399.6	4,711.5	5,709.0	0.00	0.00	
10,500.0	90.20	136.51	5,464.7	-3,472.1	4,780.4	5,809.0	0.00	0.00	
10,600.0	90.20	136.51	5,464.4	-3,544.7	4,849.2	5,909.0	0.00	0.00	
10,700.0	90.20	136.51	5,464.0	-3,617.2	4,918.0	6,009.0	0.00	0.00	
10,800.0	90.20	136.51	5,463.7	-3,689.8	4,986.8	6,109.0	0.00	0.00	
10,900.0	90.20	136.51	5,463.3	-3,762.3	5,055.7	6,209.0	0.00	0.00	
11,000.0	90.20	136.51	5,463.0	-3,834.9	5,124.5	6,309.0	0.00	0.00	
11,100.0	90.20	136.51	5,462.6	-3,907.4	5,193.3	6,409.0	0.00	0.00	
11,200.0	90.20	136.51	5,462.3	-3,980.0	5,262.1	6,509.0	0.00	0.00	
11,300.0	90.20	136.51	5,461.9	-4,052.5	5,331.0	6,609.0	0.00	0.00	
11,400.0	90.20	136.51	5,461.6	-4,125.1	5,399.8	6,709.0	0.00	0.00	
11,500.0	90.20	136.51	5,461.2	-4,197.6	5,468.6	6,809.0	0.00	0.00	
11,600.0	90.20	136.51	5,460.9	-4,270.2	5,537.4	6,909.0	0.00	0.00	
11,700.0	90.20	136.51	5,460.5	-4,342.7	5,606.3	7,009.0	0.00	0.00	
11,800.0	90.20	136.51	5,460.2	-4,415.3	5,675.1	7,109.0	0.00	0.00	
11,900.0	90.20	136.51	5,459.8	-4,487.8	5,743.9	7,209.0	0.00	0.00	
12,000.0	90.20	136.51	5,459.5	-4,560.4	5,812.7	7,309.0	0.00	0.00	
12,100.0	90.20	136.51	5,459.1	-4,632.9	5,881.6	7,409.0	0.00	0.00	
12,200.0	90.20	136.51	5,458.8	-4,705.5	5,950.4	7,509.0	0.00	0.00	
12,300.0	90.20	136.51	5,458.4	-4,778.0	6,019.2	7,609.0	0.00	0.00	
12,400.0	90.20	136.51	5,458.1	-4,850.6	6,088.0	7,709.0	0.00	0.00	
12,500.0	90.20	136.51	5,457.7	-4,923.1	6,156.9	7,809.0	0.00	0.00	
12,600.0	90.20	136.51	5,457.4	-4,995.6	6,225.7	7,909.0	0.00	0.00	
12,682.4	90.20	136.51	5,457.1	-5,055.4	6,282.4	7,991.4	0.00	0.00	TD at 12682.4 - GCU O27-2306 02H PBHL

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well GCU O27-2306 02H
Company:	EnCana Oil & Gas (USA) Inc	TVD Reference:	WELL @ 7000.0ft (Original Well Elev)
Project:	Sandoval County, NM	MD Reference:	WELL @ 7000.0ft (Original Well Elev)
Site:	S27-T23N-R6W	North Reference:	True
Well:	GCU O27-2306 02H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Hz		
Design:	Plan #2		

Targets									
Target Name									
- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)		
GCU O27-2306 02H PBI	0.00	0.00	5,457.1	-5,055.4	6,282.4	1,885,185.57	1,291,510.89	36.175251	-107.432207
- plan hits target center									
- Point									
GCU O27-2306 02H PO	0.00	0.00	5,479.6	-373.1	1,840.4	1,889,922.63	1,287,127.30	36.188114	-107.447255
- plan hits target center									
- Point									

Casing Points					
Measured Depth	Vertical Depth		Name	Casing Diameter	Hole Diameter
(ft)	(ft)			(in)	(in)
500.0	500.0	9 5/8"		0.000	0.000
5,793.8	5,350.7	ICP @ 55°		0.000	0.000

Formations						
Measured Depth	Vertical Depth	Name	Lithology	Dip	Dip Direction	
(ft)	(ft)			(°)	(°)	
1,366.0	1,366.0	Ojo Alamo		-0.20	136.51	
1,515.0	1,515.0	Kirtland Shale		-0.20	136.51	
1,678.0	1,678.0	Fruitland Coal		-0.20	136.51	
1,920.0	1,920.0	Pictured Cliffs Ss.		-0.20	136.51	
2,048.0	2,048.0	Lewis Shale		-0.20	136.51	
2,739.6	2,739.0	Cliffhouse Ss.		-0.20	136.51	
3,516.7	3,470.0	Menefee Fn.		-0.20	136.51	
4,362.1	4,184.0	Point Lookout Ss.		-0.20	136.51	
4,561.2	4,352.0	Mancos Shale		-0.20	136.51	
5,282.9	4,961.0	Mancos Silt		-0.20	136.51	
5,612.0	5,233.0	Gallup Fn.		-0.20	136.51	

Plan Annotations					
Measured Depth	Vertical Depth	Local Coordinates			
(ft)	(ft)	+N/-S	+E/-W	Comment	
(ft)	(ft)	(ft)	(ft)		
2,500.0	2,500.0	0.0	0.0	KOP @ 2500'	
3,586.7	3,529.0	-12.6	300.7	EOB; Inc=32.6°	
5,479.1	5,123.3	-55.4	1,319.4	Start build/turn @ 5479' MD	
6,228.3	5,479.6	-373.1	1,840.4	LP @ 5479' TVD; 90.2°	
12,682.4	5,457.1	-5,055.4	6,282.4	TD at 12682.4	