

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 112953

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 349° FSL and 1295° FWL Sec 28, T23N, R6W
BHL: 350° FSL and 2040° FWL Sec 33, T23N, R6W

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

8. Well Name and No.
Lybrook M28-2306 03H

9. API Well No.
30-043-21194

10. Field and Pool or Exploratory Area
Lybrook Gallup

11. Country or Parish, State
Sandoval, New Mexico

DEC 15 2014

Farmington Field

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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other Flare Extension

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 and Gas (USA) Inc. (Encana) completed the Lybrook M28-2306 03H on 9/21/14 and received flare extension approval on 11/17/14. Encana requests an exception from NTL 4A, III C gas flaring (gas test period of 30 days from well completion or 50 MMCF, whichever comes first) and requests an additional 30 days to flare the gas from this well.

The well's early production is being impacted by high backpressure on the gas gathering line. The wells should optimally be produced with minimum backpressure during early life to ensure proper load water recovery.

Encana estimates an average of approximately 0.943 MMCF/d will be flared. The gas analysis is attached.

OIL CONS. DIV DIST. 3

DEC 18 2014

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

Name (Printed/Typed)
Cristi Bauer

Title
Operations Technician

Signature
Cristi Bauer

Date
12/12/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
[Signature]

Title
AFM

Date
12/16/14

Office
FFO

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 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)

MMCCD
KC



OIL CONS. DIV DIST. 3

DEC 18 2014

2030 Afton Place
Farmington, NM 87401
(505) 325-6622

Analysis No: EC140463
Cust No: 25150-11315

Well/Lease Information

Customer Name: ENCANA OIL & GAS
Well Name: LYBROOK M28-2306-03H
County/State:
Location: M28-23N-06W
Field: O2 PROJECT
Formation:
Cust. Stn. No.: 14180112
76155

Source: METER RUN
Pressure: 62 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 12/08/2014
Sampled By: SEAN CASAUS
Foreman/Engr.:

Remarks:

Analysis

Component::	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	7.704	0.8510	0.00	0.0745
CO2	0.285	0.0490	0.00	0.0043
Methane	66.367	11.2930	670.30	0.3676
Ethane	13.305	3.5720	235.46	0.1381
Propane	7.675	2.1220	193.11	0.1169
Iso-Butane	0.919	0.3020	29.89	0.0184
N-Butane	2.208	0.6990	72.03	0.0443
I-Pentane	0.497	0.1820	19.88	0.0124
N-Pentane	0.447	0.1630	17.92	0.0111
Hexane Plus	0.593	0.2650	31.26	0.0196
Total	100.000	19.4980	1269.86	0.8073

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.004
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 1277.9
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 1255.7
REAL SPECIFIC GRAVITY: 0.8102

GPM, BTU, and SPG calculations as shown above are based on current GPA factors.

DRY BTU @ 14.650: 1271.0
DRY BTU @ 14.696: 1275.0
DRY BTU @ 14.730: 1277.9
DRY BTU @ 15.025: 1303.5

CYLINDER #: 6071
CYLINDER PRESSURE: 61 PSIG
DATE RUN: 12/9/14 10:49 AM
ANALYSIS RUN BY: PATRICIA KING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd., Suite A
Farmington, New Mexico 87402
www.blm.gov/nm



In Reply Refer To:

Conditions of Approval:

Lybrook M28-2306 03H
Section 28-23N-6W
Lease No. NMNM112953

- Flaring is authorized pursuant to NTL 4A Part III A and IV B. As such, no royalty obligation will be incurred during the clean-up period. The vented volumes must be reported on your Oil and Gas Operations Reports (OGORs) during the venting period.
- Flaring will be authorized until January 16, 2015. If additional time is required, please contact this office accordingly.
- Please take appropriate and necessary safety precautions at this well site during the venting period.