

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.
NMNM12374

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well **DEC 15 2014**
 Oil Well Gas Well Other

8. Well Name and No.
Nageezi Unit M27-2409 02H

2. Name of Operator
Encana Oil & Gas (USA) Inc.

9. API Well No.
30-045-35479

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

3b. Phone No. (include area code)
720-876-5867

10. Field and Pool or Exploratory Area
Nageezi Unit HZ (Oil)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 1255' FSL and 371' FWL Section 27, T24N, R9W
BHL: 852' FSL and 345' FWL Section 28, T24N, R9W

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				
<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 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 Nageezi Unit M27-2409 02H on 11/19/14. 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 0.264 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

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)

NMCCD_{rc}

OIL CONS. DIV DIST. 3

DEC 18, 2014

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



Analysis No: EC140484
Cust No: 25150-11410

Well/Lease Information

Customer Name: ENCANA OIL & GAS
Well Name: ESCRITO M27-2409-02H
County/State: SAN JUAN NM
Location: M27-24N-09W
Field: O2 PROJECT
Formation:
Cust. Stn. No.:

Source:
Pressure: 130 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 12/12/2014
Sampled By: BOB DURBIN
Foreman/Engr.: MIKE SACKETT

Remarks: SAMPLED AT METER RUN

Analysis

Component:	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	32.460	3.5800	0.00	0.3139
CO2	0.355	0.0610	0.00	0.0054
Methane	49.998	8.4960	504.97	0.2769
Ethane	6.810	1.8250	120.52	0.0707
Propane	6.600	1.8230	166.06	0.1005
Iso-Butane	0.704	0.2310	22.89	0.0141
N-Butane	1.950	0.6160	63.61	0.0391
I-Pentane	0.364	0.1330	14.56	0.0091
N-Pentane	0.357	0.1300	14.31	0.0089
Hexane Plus	0.403	0.1800	21.24	0.0133
Total	100.000	17.0750	928.17	0.8520

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0026
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 932.7
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 916.5
REAL SPECIFIC GRAVITY: 0.8539

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

DRY BTU @ 14.650: 927.6
DRY BTU @ 14.696: 930.5
DRY BTU @ 14.730: 932.7
DRY BTU @ 15.025: 951.4

CYLINDER #: 7019
CYLINDER PRESSURE: 141 PSIG
DATE RUN: 12/12/14 12:00 AM
ANALYSIS RUN BY: LOGAN CHENEY



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:

Nageezi Unit M27-2409 02H
Section 27-24N-9W
Lease No. NMNM 12374

- 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.