

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 | UL | Sec | Twp | N/S | Rng | W/E | Feet | NS | Ft | EW |
|--------------------|---------------------|--------|--------------------------------|------|------|-------------|------------|----|-----|-----|-----|-----|-----|------|----|------|----|
| 30-045-35525-00-00 | LYBROOK O35 2308 | 001H | ENCANA OIL & GAS (USA) INC. | O | N | San Juan | F | O | 35 | 23 | N | 8 | W | 273 | S | 1391 | E |

Application Type:

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

Conditions of Approval:

File a Sundry detailing the pressure test information for the Surface casing.

NMOCD Approved by Signature

11-26-14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED NOV 06 2014
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. NMNM048989A
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 O35-2308 01H

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

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

9. API Well No.
30-045-35525

10. Field and Pool or Exploratory Area
Alamito-Gallup

4. Location of Well (Footage, Sec., T., R. M., or Survey Description)
SHL: 273' FSL and 1391' FEL Section 35, T23N, R8W
BHL: 330' FSL and 1720' FEL Section 2, T22N, R8W

11. County or Parish, State
San Juan, 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 Conductor, Spud, Surface Casing |
| | <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.)

Set 20" 94# conductor at 120' on 10/11/14. 100sk Type I Neat cement, 16.6ppg. Cement to surface.

Well spud 10/27/2014

Set surface casing string 10/27/14. Gelled freshwater mud system.

Hole diameter: 12.25", casing diameter: 9.625", casing weight and grade: 36ppf J55 LTC. Depth of 12.25" hole from 0-526'TVD/MD. Casing set from surface to 524' TVD/MD.

Pumped 247 sacks of Type III Halcem Cement + 2% bwoc CaCl + 0.125 lbs/sk Poly-E-Flake, yield 1.17 cuft/sk, mixed at 15.8 ppg on 10/27/14. Circulated 37bbbls to surface. WOC 13.5 hours for surface casing.

Float collar at 480'. TOC at surface and BOC at 524'. ✓

OIL CONS. DIV DIST. 3

NOV 17 2014

ACCEPTED FOR RECORD

NOV 17 2014

FARMINGTON FIELD OFFICE
BY: *William Tambekou*

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

Cristi Bauer

Title Operations Technician

Signature

Cristi Bauer

Date

11/5/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)