

OIL CONS. DIV DIST. 3

JAN 05 2015

State of New Mexico
Energy Minerals and Natural Resources

CONFIDENTIAL

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-129
Revised August 1, 2011Submit one copy to appropriate
District OfficeNFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant Encana Oil & Gas (USA) Inc.,
whose address is 370 17th Street, Suite 1700 Denver, CO 80202,
hereby requests an exception to Rule 19.15.18.12 for Thirty (30) days or until
January 30th, Yr 2015, for the following described tank battery (or LACT):
API: 30-045-35521
Name of Lease Escrito M32-2408-01H Name of Pool Basin Mancos Gas Pool
Location of Battery: Unit Letter M Section 32 Township 24N Range 8W
Number of wells producing into battery 1
- B. Based upon oil production of 600 barrels per day, the estimated * volume
of gas to be flared is 30,000 MCF; Value \$3,170 per day.
- C. Name and location of nearest gas gathering facility:
Encana 32 CDP (already connected)
- D. Distance N/A Estimated cost of connection N/A
- E. This exception is requested for the following reasons: _____
Nitrogen content exceeds the Elm Ridge requirement of 10% nitrogen.
Encana requests permission to flare for an additional 30 days to decrease N2.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.Signature Cristi BauerPrinted Name
& Title Cristi Bauer, Operations TechnicianE-mail Address cristi.bauer@encana.comDate 12/30/14 Telephone No. 720-876-5867

OIL CONSERVATION DIVISION

Approved Until 1-30-2015By Chad PenTitle SUPERVISOR DISTRICT #3Date JAN 05 2015

* Gas-Oil ratio test may be required to verify estimated gas volume.

10



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

Analysis No: EC140500
Cust No: 25150-11430

Well/Lease Information

Customer Name: ENCANA OIL & GAS
Well Name: ESCRITO M32-2408-01H
County/State: SAN JUAN
Location: M32-24N-08W
Field: O2 PROJECT
Formation:
Cust. Stn. No.:

Source:
Pressure: 150 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 12/24/2014
Sampled By: SEAN CASAUS
Foreman/Engr.: TONY FERRARI

Remarks: SAMPLE @ METER RUN

Analysis

Component::	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	22.998	2.5370	0.00	0.2224
CO2	0.303	0.0520	0.00	0.0046
Methane	59.670	10.1420	602.67	0.3305
Ethane	7.250	1.9440	128.30	0.0753
Propane	6.147	1.6980	154.66	0.0936
Iso-Butane	0.703	0.2310	22.86	0.0141
N-Butane	1.844	0.5830	60.16	0.0370
I-Pentane	0.364	0.1330	14.56	0.0091
N-Pentane	0.339	0.1230	13.59	0.0084
Hexane Plus	0.382	0.1710	20.14	0.0126
Total	100.000	17.6140	1016.94	0.8077

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0028
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 1022.2
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 1004.4
REAL SPECIFIC GRAVITY: 0.8096

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

DRY BTU @ 14.650: 1016.6
DRY BTU @ 14.696: 1019.8
DRY BTU @ 14.730: 1022.2
DRY BTU @ 15.025: 1042.7

CYLINDER #: 4143
CYLINDER PRESSURE: 148 PSIG
DATE RUN: 12/24/14 12:00 AM
ANALYSIS RUN BY: DAWN BLASSINGAME