

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		DEC 31 2014		5. Lease Serial No. NMMN 118133
2. Name of Operator Encana Oil & Gas (USA) Inc.		Bureau of Land Management		6. If Indian, Allottee or Tribe Name N/A
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. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 413' FSL and 60' FWL Section 32, T24N, R8W BHL: 430' FSL and 405' FWL Section 31, T24N, R8W				8. Well Name and No. Escrito M32-2408 01H
				9. API Well No. 30-045-35521
				10. Field and Pool or Exploratory Area Basin Mancos Gas Pool
				11. County or Parish, State San Juan County, NM

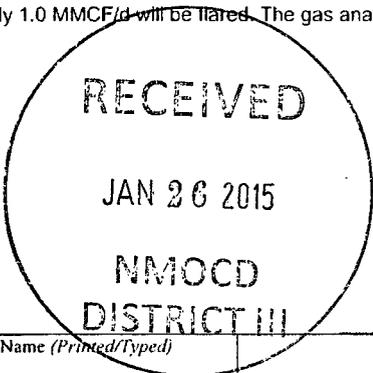
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" 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 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 & Gas (USA) Inc. (Encana) completed the Escrito M32-2408 01H on 11/30/14. 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 request an additional 30 days (01/30/2015) to flare the gas from this well. The extension is requested because nitrogen content exceeds the Elm Ridge requirement of 10% nitrogen. Encana requests permission to flare for an additional 30 days to decrease N2.

Encana estimates that an average of approximately 1.0 MMCF/d will be flared. The gas analysis is attached.



**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Cristi Bauer Title Operations Technician

Signature Cristi Bauer Date 12/30/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Signature] Title AFM Date 1/21/15

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 FTO

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)

NMOC DISTRICT III



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

Analysis No: EC140500
 Cust No: 25150-11430

Well/Lease Information

Customer Name: ENCANA OIL & GAS	Source:
Well Name: ESCRITO M32-2408-01H	Pressure: 150 PSIG
County/State: SAN JUAN	Sample Temp: DEG. F
Location: M32-24N-08W	Well Flowing: Y
Field: O2 PROJECT	Date Sampled: 12/24/2014
Formation:	Sampled By: SEAN CASAUS
Cust. Stn. No.:	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



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:

Escrito M32-2408 01H
Section 32-24N-8W
Lease No. NMNM 118133

- 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 February 21, 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.