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Attach the Bond under which the work will be performed or provide the Bond No. on file with BLMMIA. 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. <i>J Form</i> 310-44 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. is requesting authorization to install gas lift at the Pinion Unit D14-2410 01H well. Attached is a schematic of the pad with the gas allocation procedure. RECEIVED FEB 2 6 2015 NMOCU Achere to previously issued stipulation H. Thereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i>) Jessica Gregg 14. Thereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i>) Jessica Gregg Trite Regulatory Analyst Signature MUCU	Subsequent Report Final Abandonment Notice	Alter Casing Casing Repair Change Plans Convert to Injection Deperation: Clearly state all pertinent	Fracture Treat Fracture Treat New Construction Plug and Abandon Plug Back details, including estin	Recta	amation mplete porarily Abandon er Disposal te of any proposed work a	Well Integrity Other Installation of Gas Lift and approximate duration thercol
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Signature Julian Julian <td>Jessica Gregg</td> <td>····· ···· ····· ····· ······ ······ ····</td> <td></td> <td>ulatory Analyst</td> <td></td> <td></td>	Jessica Gregg	····· ···· ····· ····· ······ ······ ····		ulatory Analyst		
Approved by William Tambekeue 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 fals fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		Sugg		2/12/	1.5	
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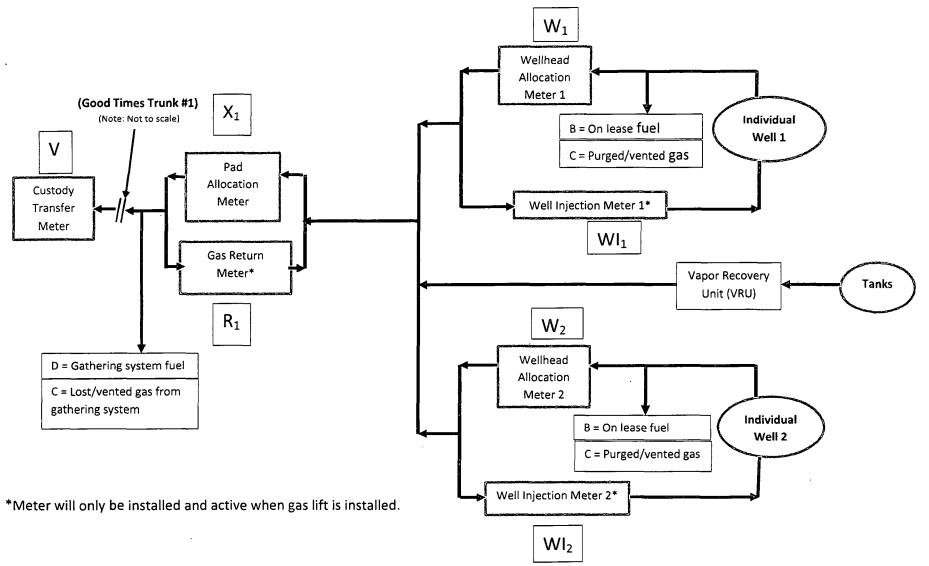
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Attachment No. 5 Encana Oil & Gas (USA) Inc. Good Times Trunk #1 Gathering System San Juan Country, New Mexico

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Gas Measurement Allocation Procedure for Multi-Well Pads

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Attachment No. 5 Encana Oil & Gas (USA) Inc. Good Times Trunk #1 Gathering System San Juan Country, New Mexico

Base Data:

V = Gas Volume (MCF) from Custody Transfer Meter during allocation period (Enterprise Products Partners)

 $X_x = Gas Volume (MCF)$ from Pad Allocation Meter during allocation period. (Encana)

R_x = Gas Volume (MCF) from Gas Return Meter at Well Pad (Encana)*

 $(X_x - R_x) = Gas Volume (MCF)$ for total Well Pad Production (Encana)

W_x = Gas Volume (MCF) from Wellhead Allocation Meter at individual wells during allocation period. (Encana)

WI_x = Gas Volume (MCF) from Well Injection Meter at individual wells during allocation period. (Encana)*

Y = Heating Value (BTU/scf) from Custody Transfer Meter during allocation period. (Enterprise Products Partners)

Z = Heating Value (BTU/scf) from individual Wellhead Allocation Meter and Well Injection Meter. (Encana)

Allocation Period is typically a calendar month and will be the same for all Well Pads and individual wells.

Well Pad Gas Production = A + B + C + D + E

A = Allocated Gas production off lease for Well Pad, MCF: $[(X_1-R_1)/((X_1-R_1)+(X_2-R_2)+(X_n-R_n))]^*(V)$

Please note, gas production (MCF) for individual wells on a Well Pad is calculated using the formula: $[(W_1-WI_1)/((W_1-WI_1)+(W_2-WI_2)+(W_n-WI_n))]^*(X_1-R_1)$

B = On lease fuel usage, MCF. Determined from equipment specification and operating conditions. This includes, but is not limited to, compression, vapor recovery unit (VRU) compression, burners, and pump jacks.

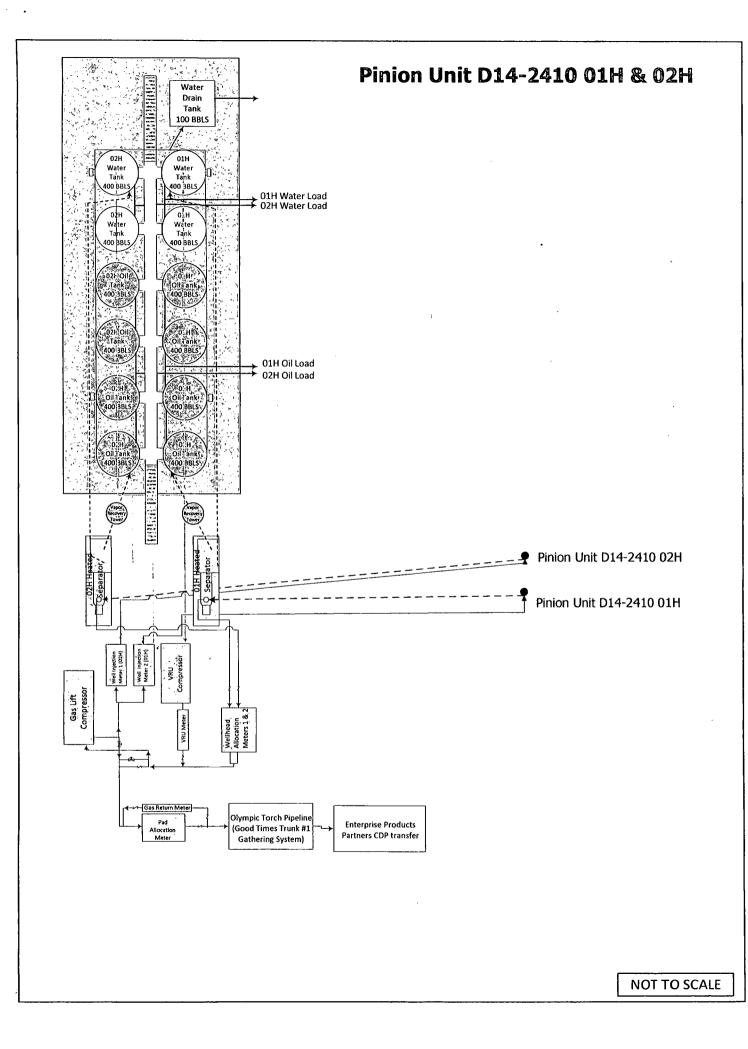
C = Lost and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the Well Pads benefiting from the equipment using allocation factors determined by $[(X_1-R_1)/((X_1-R_1)+(X_2-R_2)+(X_n-R_n))]$ and for individual wells using allocation factors determined by $[(W_1-WI_1)/((W_1-WI_2)+(W_2-WI_2)+(W_n-WI_n))]$.

Attachment No. 5 Encana Oil & Gas (USA) Inc. Good Times Trunk #1 Gathering System San Juan Country, New Mexico

E = Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the Well Pads affected using factors determined by $[(X_1-R_1)/((X_1-R_1)+(X_2-R_2)+(X_n-R_n))]$, and for individual wells using factors determined by $[(W_1-WI_1)/((W_1-WI_1)+(W_2-WI_2)+(W_n-WI_n))]$.

<u>Individual Well BTU's</u> = $[[{(W_n-WI_n)*Z_n}/{SUM((W_n-WI_n)*Z_n)}]*(V*Y)*1000]$ Individual well gas heating values to be determined in accordance with BLM regulations.





United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington Field Office 6252 College Blvd., Suite A Farmington, New Mexico 87402

IN REPLY REFER TO:

CONDITIONS OF APPROVAL FOR GAS LIFT & BUY BACK METER INSTALLATIONS:

• The buy-back meter isolation valve, either up or down stream of the buyback meter must be effectively sealed in the closed position to prevent produced gas from potentially by-passing the measurement and sales meter. In lieu of the seal requirement at least two check valves can be installed either up and down stream of the buyback meter or in line with the buy-back meter to prevent produced gas from potentially by-passing the measurement and sales meter.

Contact this office so a BLM witness verify installation of either the seal or check valves.

- If seals are installed, seal records must be maintained and made available upon request.
 - Post a Facility Card or Sign that clearly identifies <u>both</u> the sales and buy-back meters.
 - Gas Meters must be installed and calibrated in accordance with Onshore Order 5.