

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

RECEIVED
JUN 16 2015
Fairington Field Office
Bureau of Land Management

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.
NMNM 17009
6. If Indian, Allottee or Tribe
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and No. NMNM 131017X
2. Name of Operator Encana Oil & Gas (USA) Inc.		8. Well Name and No. Gallo Canyon Unit P26-2306 02H
3a. Address 370 17th Street, Suite 1700 Denver, CO 80202	3b. Phone No. (include area code) 720-876-5867	9. API Well No. 30-043-21209
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 253' FSL and 939' FEL Section 26, T23N, R6W BHL: 366' FSL and 366' FEL Section 36, T23N, R6W		10. Field and Pool or Exploratory Area Counselors Gallup-Dakota
		11. County or Parish, State Sandoval 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 Flare Extension
	<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. completed the Gallo Canyon Unit P26-2306 02H on 05/09/15. 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. This extension is requested because N2 content is still notably high. We do not meet pipeline specs for N2 content and need to flare the gas until N2 levels are at sustainable levels for the pipeline."

Encana estimates that approximately 0.70 MMCF/d will be flared. The gas analysis is attached.

OIL CONS. DIV DIST. 3
JUN 19 2015

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Cristi Bauer		Title Regulatory Analyst
Signature <i>Cristi Bauer</i>		Date 6/15/15

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>D. Mankie</i>	Title AFM	Date 6/16/15
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 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)



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

Analysis No: EC150366
Cust No: 25150-11575

Well/Lease Information

Customer Name: ENCANA OIL & GAS
Well Name: GALLO CANYON P26-2306 #02H
County/State: SANDOVAL
Location: P26-23N-06W
Field:
Formation:
Cust. Stn. No.: 15185133

Source:
Pressure: 140 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 06/11/2015
Sampled By: SEAN CASAUS
Foreman/Engr.: TONY FERRARI

Remarks:

Analysis

Component::	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	20.669	2.2810	0.00	0.1999
CO2	0.385	0.0660	0.00	0.0059
Methane	58.739	9.9870	593.27	0.3254
Ethane	8.497	2.2790	150.37	0.0882
Propane	7.280	2.0120	183.17	0.1108
Iso-Butane	0.884	0.2900	28.75	0.0177
N-Butane	2.227	0.7040	72.65	0.0447
I-Pentane	0.448	0.1640	17.92	0.0112
N-Pentane	0.421	0.1530	16.88	0.0105
Hexane Plus	0.450	0.2010	23.72	0.0149
Total	100.000	18.1370	1086.73	0.8291

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0032
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 1092.7
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 1073.7
REAL SPECIFIC GRAVITY: 0.8315

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

DRY BTU @ 14.650: 1086.8
DRY BTU @ 14.696: 1090.2
DRY BTU @ 14.730: 1092.7
DRY BTU @ 15.025: 1114.6

CYLINDER #: 6047
CYLINDER PRESSURE: 134 PSIG
DATE RUN: 6/11/15 3:46 PM
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:

Gallo Canyon Unit P26-2306 02H
Section 26-23N-6W
Lease No. NMNM 17009

- 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 flared volumes must be reported on your Oil and Gas Operations Reports (OGORs) during the flaring period.
- Flaring will be authorized until July 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 flaring period.