

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, 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 3160-5 form.  
Operator Signature Date: **Original APD 5/12/2014** Sundry Extension Date 8/9/2017

| API WELL #         | Well Name    | Well # | Operator Name               | Type | Stat | County   | Surf_Owner | UL | Sec | Twp | N/S | Rng | W/E |
|--------------------|--------------|--------|-----------------------------|------|------|----------|------------|----|-----|-----|-----|-----|-----|
| 30-045-35547-00-00 | NAGEEZI UNIT | 504H   | ENCANA OIL & GAS (USA) INC. | O    | N    | San Juan | F          | L  | 10  | 23  | N   | 9   | W   |

Conditions of Approval:

(See the below checked and handwritten conditions)

- ☒ Notify Aztec OCD 24hrs prior to casing & cement.
- ☒ Hold C-104 for directional survey & "As Drilled" Plat
- ☐ Hold C-104 for NSL, NSP, DHC,
- ☐ Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- ☒ Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
  - ☒ A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
  - ☒ A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
  - ☒ A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- ☒ Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ☒ Submit Gas Capture Plan form prior to spudding or initiating recompletions operations.
- ☒ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84

- ✓ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ✓ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.
- ✓ Comply with current regulations at time of spud  
Prior to production operator needs to be in compliance with RULE 19.15.5.9



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NMOCD Approved by Signature

12/17/18

Date



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**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 8005

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

2. Name of Operator  
Encana Oil & Gas (USA) Inc.

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

3b. Phone No. (include area code)  
720-876-3533

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SHL: 1426' FSL and 296' FWL, Sec 10, T23N, R9W  
BHL: 430' FSL and 330' FWL, Sec 9, T23N, R9W

7. If Unit of CA/Agreement, Name and/or No.  
NMNM 132981X

8. Well Name and No.  
Nageezi Unit L10-2309 03H (FKA Good Times)

9. API Well No.  
Pending

10. Field and Pool or Exploratory Area  
Nageezi Unit Horizontal Oil Pool

11. Country 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>Well Name Change</u> |
|                                                      | <input checked="" 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 recompleat 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 recompleat 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. recently finalized the formation of a 9,135.51 acre Federal exploratory unit named the Nageezi Unit. The Nageezi Unit hearing occurred on May 29, 2014 at the New Mexico Oil Conservation Division in Santa Fe, in which, Encana requested an undivided unit be formed that would also encompass its own unique oil pool designation. Therefore, the Good Times L10-2309 03H well will now be a part of the Nageezi Unit. We are submitting this sundry and corresponding plat package to change the well name from the Good Times L10-2309 03H to the Nageezi Unit L10-2309 03H.

The SHL for the Nageezi Unit L10-2309 03H was also moved from 1417 FSL, 267 FWL (Section 10, T23N, R9W) to 1426 FSL, 296 FWL (Section 10, T23N, R8W) in order to be in line with the 01H well. Attached is an updated Directional Plan, Drilling Plan and Wellbore Diagram, which have been updated to reflect this change in SHL. Please note, the BHL did NOT change from the original APD submittal; however, the plan did change to include a cemented production liner, instead of running open hole swell packers, as previously planned. Also, the 7" ICP was moved from approximately 72 degrees to 55 degrees.

Finally, Encana wishes to change the name of this well from Nageezi Unit L10-2309 03H to Nageezi Unit L10-2309 02H.

NMOCB

DEC 13 2018

DISTRICT III

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Katie Wegner

Title Regulatory Analyst

Signature

Date 10/23/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Dave Mankiewicz

Title AFM-Min

Date 12/13/18

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.

A



**DISTRICT I**

1025 N. French Dr., Hobbs, N.M. 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720

**DISTRICT II**

611 S. First St., Artesia, N.M. 88210  
Phone: (505) 748-1283 Fax: (505) 748-0720

**DISTRICT III**

1000 Rio Brazos Rd., Aztec, N.M. 87410  
Phone: (505) 334-6176 Fax: (505) 334-6170

**DISTRICT IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                                |                                                           |                        |                                                            |
|------------------------------------------------|-----------------------------------------------------------|------------------------|------------------------------------------------------------|
| <sup>1</sup> API Number<br><b>3D-045-33547</b> |                                                           | <sup>2</sup> Pool Code | <sup>3</sup> Pool Name<br>NAGEEZI UNIT HORIZONTAL OIL POOL |
| <sup>4</sup> Property Code                     | <sup>5</sup> Property Name<br>NAGEEZI UNIT L10-2309       |                        | <sup>6</sup> Well Number<br>02H                            |
| <sup>7</sup> OGRID No.<br>282327               | <sup>8</sup> Operator Name<br>ENCANA OIL & GAS (USA) INC. |                        | <sup>9</sup> Elevation<br>6754.0'                          |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| L             | 10      | 23N      | 9W    |         | 1426'         | SOUTH            | 296'          | WEST           | SAN JUAN |

<sup>11</sup> Bottom Hole Location If Different From Surface

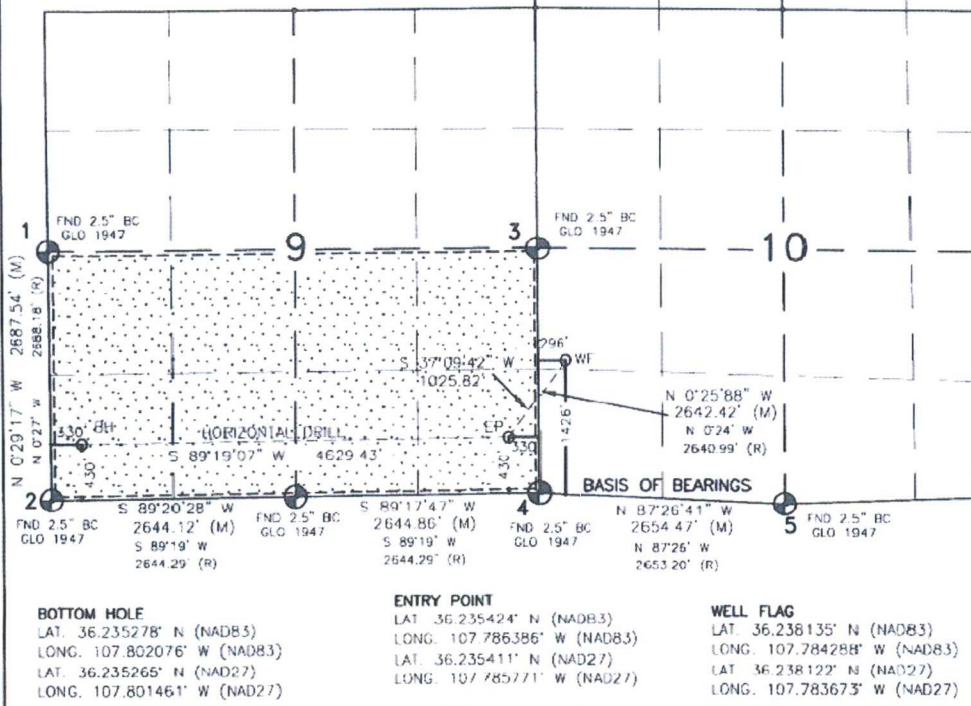
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| M             | 9       | 23N      | 9W    |         | 430'          | SOUTH            | 330'          | WEST           | SAN JUAN |

|                                                                                                                                                                                         |                               |                                  |                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------|-----------------------------------------------------|
| <sup>12</sup> Dedicated Acres<br>9,135.51 ACRES SEC. 21-23 (S/2): 26-28, 33-35, 1-4, 9-10 (ALL); 5 (W/2); 11 (NW/4) - UNDIVIDED UNIT; PENETRATED SPACING UNIT: S2 SEC. 9 (320.00 ACRES) | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No.<br>R-13856 (9,135.51 ACRES) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------|-----------------------------------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>1</b> LAT. 36.24147° N (NAD83)<br/>LONG. 107.80326° W (NAD83)<br/>LAT. 36.24148° N (NAD27)<br/>LONG. 107.80388° W (NAD27)</p> <p><b>2</b> LAT. 36.23409° N (NAD83)<br/>LONG. 107.80318° W (NAD83)<br/>LAT. 36.23410° N (NAD27)<br/>LONG. 107.80380° W (NAD27)</p> <p><b>3</b> LAT. 36.24151° N (NAD83)<br/>LONG. 107.78532° W (NAD83)<br/>LAT. 36.24152° N (NAD27)<br/>LONG. 107.78593° W (NAD27)</p> <p><b>4</b> LAT. 36.23425° N (NAD83)<br/>LONG. 107.78526° W (NAD83)<br/>LAT. 36.23426° N (NAD27)<br/>LONG. 107.78587° W (NAD27)</p> <p><b>5</b> LAT. 36.23393° N (NAD83)<br/>LONG. 107.77627° W (NAD83)<br/>LAT. 36.23394° N (NAD27)<br/>LONG. 107.77688° W (NAD27)</p> | <p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Katie Wegner</i> 10/23/14<br/>Signature Date<br/>Katie Wegner<br/>Printed Name<br/>Katie.Wegner@encana.com<br/>E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>APRIL 10, 2013<br/>Date of Survey<br/>Signature and Seal of Professional Surveyor:<br/><i>David Russell</i><br/>DAVID RUSSELL<br/>REGISTERED PROFESSIONAL LAND SURVEYOR<br/>10201<br/>Certificate Number</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



Nagezzi Unit L10-2309 02H

SHL: 1426' FSL, 296' FWL Sec 10 23N 09W

BHL: 430' FSL, 330' FWL Sec 9 23N 09W

San Juan, New Mexico

**Encana Oil & Gas (USA) Inc.  
Drilling Plan**

**1. ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)**

The estimated tops of important geologic markers are as follows:

| <b>Formation</b>    | <b>Depth (TVD) units = feet</b> |
|---------------------|---------------------------------|
| San Jose Fn.        | n/a                             |
| Nacimiento Fn.      | surface                         |
| Ojo Alamo Ss.       | 469                             |
| Kirtland Shale      | 566                             |
| Fruitland Coal      | 740                             |
| Pictured Cliffs Ss. | 1,581                           |
| Lewis Shale         | 1,122                           |
| Cliffhouse Ss.      | 1,843                           |
| Menefee Fn.         | 2,582                           |
| Point Lookout Ss.   | 3,554                           |
| Mancos Shale        | 3,692                           |
| Mancos Silt         | 4,225                           |
| Gallup Fn.          | 4,502                           |
| Base Gallup         | 4,827                           |

The referenced surface elevation is 6754', KB 6772'

**2. ESTIMATED DEPTH OF POTENTIAL WATER, OIL, GAS,  
& OTHER MINERAL BEARING FORMATIONS**

| <b>Substance</b> | <b>Formation</b>    | <b>Depth (TVD) units = feet</b> |
|------------------|---------------------|---------------------------------|
| Water/Gas        | Fruitland Coal      | 740                             |
| Oil/Gas          | Pictured Cliffs Ss. | 1,581                           |
| Oil/Gas          | Cliffhouse Ss.      | 1,843                           |
| Gas              | Menefee Fn.         | 2,582                           |
| Oil/Gas          | Point Lookout Ss.   | 3,554                           |
| Oil/Gas          | Mancos Shale        | 3,692                           |
| Oil/Gas          | Mancos Silt         | 4,225                           |
| Oil/Gas          | Gallup Fn.          | 4,502                           |

All shows of fresh water and minerals will be reported and protected.



Nagezzi Unit L10-2309 02H

SHL: 1426' FSL, 296' FWL Sec 10 23N 09W

BHL: 430' FSL, 330' FWL Sec 9 23N 09W

San Juan, New Mexico

### 3. PRESSURE CONTROL

- a) Pressure control equipment and configuration will be designed to meet 2M standards.
- b) Working pressure on rams and BOPE will be 3,000 psi.
- c) Function test and visual inspection of the BOP will be conducted daily and noted in the IADC Daily Drilling Report.
- d) The Annular BOP will be pressure tested to a minimum of 50 percent of its rated working pressure.
- e) Blind and Pipe Rams/BOP will be tested against a test plug to 100 percent of rated working pressure.
- f) Pressure tests are required before drilling out from under all casing strings set and cemented in place.
- g) BOP controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned.
- h) BOP testing procedures and testing frequency will conform to Onshore Order No. 2.
- i) BOP remote controls shall be located on the rig floor at a location readily accessible to the driller. Master controls shall be on the ground at the accumulator and shall have the capability to function all preventers.
- j) The kill line shall be 2-inch minimum and contain two kill line valves, one of which shall be a check valve.
- k) The choke line shall be a 2-inch minimum and contain two choke line valves (2-inch minimum).
- l) The choke and manifold shall contain two adjustable chokes.
- m) Hand wheels shall be installed on all ram preventers.
- n) Safety valves and wrenches (with subs for drill string connections) shall be available on the rig floor at all times.
- o) Inside BOP or float sub shall also be available on the rig floor at all times.

Proposed BOP and choke manifold arrangements are attached.

### 4. CASING & CEMENTING PROGRAM

The proposed casing and cementing program has been designed to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. All indications of useable water shall be reported.

- a) The proposed casing design is as follows:

| Casing           | Depth (MD)   | Hole Size | Csg Size | Weight | Grade         |
|------------------|--------------|-----------|----------|--------|---------------|
| Conductor        | 0'-60'       | 26"       | 16"      | 42.09# |               |
| Surface          | 0'-500'      | 12 1/4"   | 9 5/8"   | 36#    | J55, STC New  |
| Intermediate     | 0'-4568'     | 8 3/4"    | 7"       | 26#    | J55, LTC New  |
| Production Liner | 4468'-10337' | 6 1/8"    | 4 1/2"   | 11.6#  | B80*, LTC New |

| Casing String |              |       |            | Casing Strength Properties |             |                   | Minimum Design Factors |       |         |
|---------------|--------------|-------|------------|----------------------------|-------------|-------------------|------------------------|-------|---------|
| Size          | Weight (ppf) | Grade | Connection | Collapse (psi)             | Burst (psi) | Tensile (1000lbs) | Collapse               | Burst | Tension |
| 9 5/8"        | 36           | J55   | STC        | 2020                       | 3520        | 394               | 1.125                  | 1.1   | 1.5     |
| 7"            | 26           | J55   | LTC        | 4320                       | 4980        | 367               | 1.125                  | 1.1   | 1.5     |
| 4.5"          | 11.6         | B80   | LTC        | 6350                       | 7780        | 201               | 1.125                  | 1.1   | 1.5     |

\*B80 pipe specifications are attached

Casing design is subject to revision based on geologic conditions encountered

**Nagezzi Unit L10-2309 02H****SHL: 1426' FSL, 296' FWL Sec 10 23N 09W****BHL: 430' FSL, 330' FWL Sec 9 23N 09W****San Juan, New Mexico**

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1,500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

b) The proposed cementing program is as follows

| Casing           | Depth (MD)   | Cement Volume (sacks)                                                   | Cement Type & Yield                                                                                                                                                                                                            | Design       | Centralizers                                 |
|------------------|--------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------|
| Conductor        | 0'-60'       | 100 sks                                                                 | Type I Neat 16 ppg                                                                                                                                                                                                             | Surface      | None                                         |
| Surface          | 0'-500'      | 228 sks                                                                 | Type III Cement + 1% bwoc<br>Calcium Chloride + 0.25 lbs/sack<br>Cello Flake + 0.2% bwoc FL-52A<br>+ 58.9% Fresh Water                                                                                                         | Surface      | 1 per joint on bottom 3 joints               |
| Intermediate     | 0'-4568'     | 100% open hole excess<br>Stage 1 Lead: 420 sks<br>Stage 1 Tail: 330 sks | Lead: PremLite + 3% CaCl + 0.25lb/sk CelloFlake + 5lb/sk LCM, 12.1ppg 2.13cuft/sk<br>Tail: Type III Cmt + 1% CaCl + 0.25lb/sk Cello Flake 14.5ppg 1.38cuft/sk                                                                  | Surface      | 1 every 3 joints through water bearing zones |
| Production Liner | 4468'-10337' | 50% OH excess<br>Stage 1 Blend Total: 330sks                            | Blend: Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwoc Potassium Chloride + 0.25lbs/sack Cello Flake + 0.5% bwoc CD-32 + 1.15% bwoc FL-52A + 60 lbs/sack Calcium Carbonate + 124.4% Fresh Water.<br>Yield 2.63 cuft/sk | Liner Hanger | N/A                                          |

Actual volumes will be calculated and determined by conditions onsite. All cement slurries will meet or exceed minimum BLM and New Mexico Oil Conservation Division requirements. Slurries used will be the slurries listed above or equivalent slurries depending on service provider selected. Cement yields may change depending on slurries selected

All waiting on cement times shall be a minimum of 8 hours or adequate to achieve minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

**5. WELL PLAN & DIRECTIONAL DRILLING PROGRAM**

The proposed horizontal well will have a kick off point of 3957'. Directional plans are attached.

| Description           | Proposed Depth (TVD/MD) | Formation |
|-----------------------|-------------------------|-----------|
| Horizontal Lateral TD | 4789'/10337'            | Gallup    |



**Nagezzi Unit L10-2309 02H****SHL: 1426' FSL, 296' FWL Sec 10 23N 09W****BHL: 430' FSL, 330' FWL Sec 9 23N 09W****San Juan, New Mexico****6. DRILLING FLUIDS PROGRAM****a) Surface through Intermediate Casing Point:**

| Hole Size (in) | Depth (TVD/MD)        | Mud Type         | Density (ppg) | Viscosity (sec/qt) | Fluid Loss (cc) |
|----------------|-----------------------|------------------|---------------|--------------------|-----------------|
| 30"            | 0-60'/60'             | Fresh Water      | 8.3-9.2       | 38-100             | 4-28            |
| 12 1/4"        | 0'-500'/500'          | Fresh Water      | 8.3-10        | 60-70              | NC              |
| 8 3/4"         | 500'/500'-4479'/4568' | Fresh Water LSND | 8.3-10        | 40-50              | 8-10            |

**b) Intermediate Casing Point to TD:**

| Hole Size (in) | Depth (TVD/MD)               | Mud Type         | Density (ppg) | Viscosity (sec/qt) | Fluid Loss (cc) |
|----------------|------------------------------|------------------|---------------|--------------------|-----------------|
| 6 1/8"         | 4479'/4568'-<br>4789'/10337' | Fresh Water LSND | 8.3-10        | 15-25              | <15             |

- c) There will be sufficient mud on location to control a blowout should one occur. Mud flow and volume will be monitored both visually and with electronic pit volume totalizers. Mud tests shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.
- d) A closed-loop system will be used to recover drilling fluid and dry cuttings in both phases of the well and on all hole intervals. Above-ground tanks will be utilized to hold cuttings and fluids for rig operations. A frac tank will be on location to store fresh water. Waste will be disposed of properly at an EPA-approved hazardous waste facility. Fresh water cuttings will be disposed of at Basin Disposal, Inc. and/or Industrial Ecosystems, Inc. The location will be lined in accordance with the Surface Use Plan of Operations.

**7. TESTING, CORING, & LOGGING**

- a) Drill Stem Testing - None anticipated.
- b) Coring - None anticipated.
- c) Mudd Logging - Mud loggers will be on location from kick off point to TD.
- d) Logging - See below

Cased Hole:

CBL/CCL/GR/VDL will be run as needed for perforating control

**8. ABNORMAL PRESSURES & HYDROGEN SULFIDE**

The anticipated bottom hole pressure is +/- 2240 psi based on a 9.0 ppg at 4787' TVD of the horizontal lateral target. No abnormal pressure or temperatures are anticipated.

No hydrogen sulfide gas is anticipated, however, if H<sub>2</sub>S is encountered, the guidelines in Onshore Order No. 6 will be followed.

**9. ANTICIPATED START DATE AND DURATION OF OPERATIONS**

Drilling is estimated to commence on May 5, 2015. It is anticipated that completion operations will begin within 30 days after the well has been drilled depending on fracture treatment schedules with various pumping service companies.

It is anticipated that the drilling of this well will take approximately 20 days.



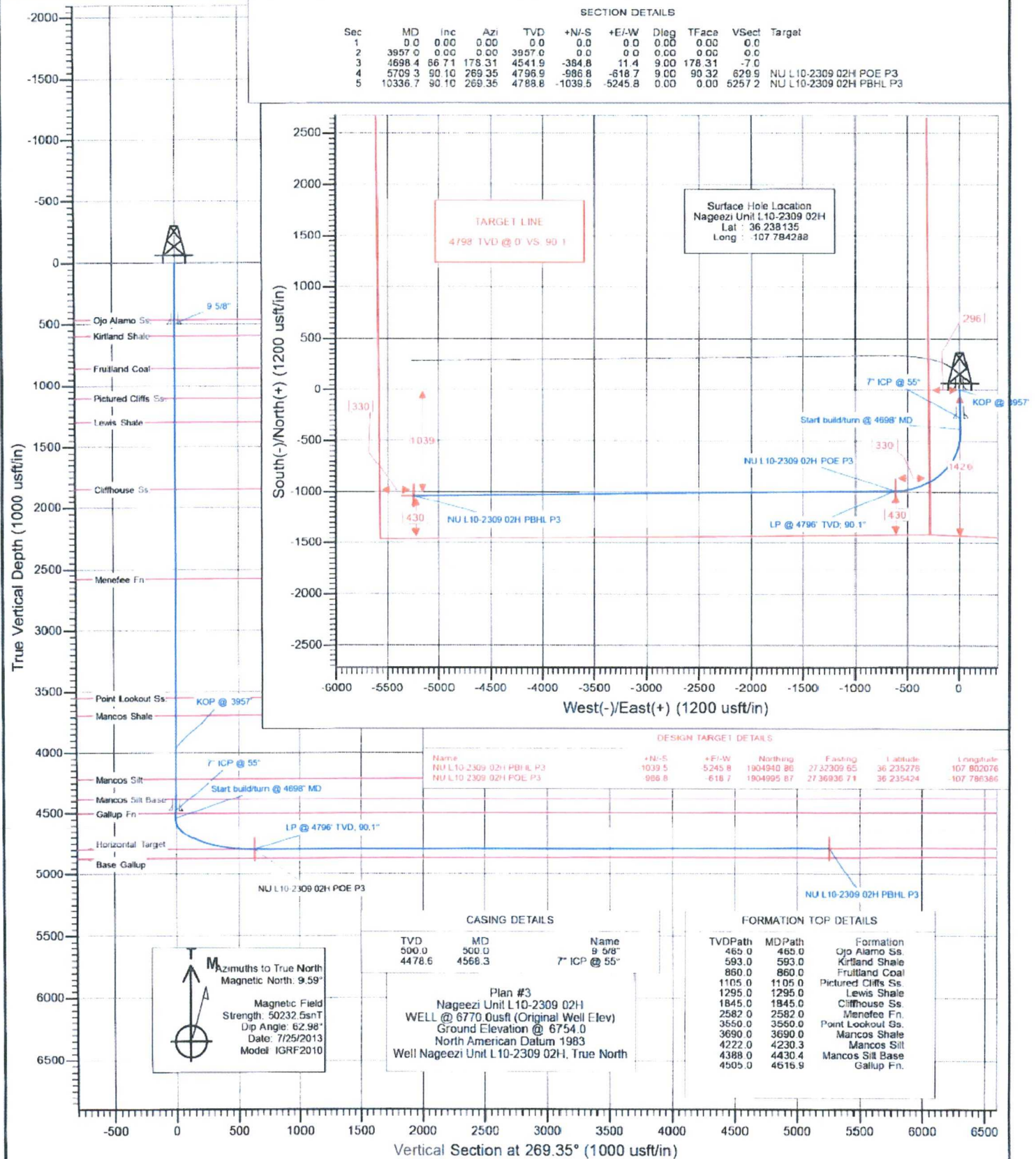
| LOC: 1426' FSL, 296' FWL Sec 10 23N 09W<br>County: San Juan<br>WELL: Nagezzi Unit L10-2309 02H                                                                                               |                      |                                    | Encana Natural Gas<br><br>WELL SUMMARY |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ENG: Michael Sanct<br>RIG: Artec 1111<br>GLE: 6754<br>RKBE: 6771.5                                                                                                                                                                                                                                                                                         |                                   |                          | 10/23/14 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------|----------------------------------------|--------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------|----------|
| MWD<br>LWD                                                                                                                                                                                   | OPEN HOLE<br>LOGGING | FORM                               | DEPTH                                  |        |       | HOLE<br>SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                | CASING<br>SPECS                                                                                                                                                                                                                                                                                                                                            | MW<br>MUD TYPE                    | DEVIATION<br>INFORMATION |          |
|                                                                                                                                                                                              |                      |                                    | TVD                                    | MD     |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
|                                                                                                                                                                                              |                      |                                    | 60                                     | 60'    |       | 26                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 16" 42.09#<br>100sx Type I Neat 16.0ppg cmt                                                                                                                                                                                                                                                                                                                | Fresh wtr<br>8.3-9.2              |                          |          |
| Multi-Well pad<br>take survey<br>every stand<br>and run anti-<br>collision<br>report prior to<br>spud                                                                                        | None                 | San Jose Fm                        | 0                                      |        |       | 12 1/4                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 9 5/8" 36ppf J55 STC<br><br>TOC Surface with 100% OH Excess<br>228 sks Type III Cement + 1% bwoc<br>Calcium Chloride + 0.25 lbs/sack Cello<br>Flake + 0.2% bwoc FL-52A + 58.9%<br>Fresh Water                                                                                                                                                              | Fresh wtr<br><br>8.3-10           | Vertical<br><br><1°      |          |
|                                                                                                                                                                                              |                      | Nacimiento Fm<br>9 5/8" Csg        | surface<br>500                         | 500.00 |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
| Survey Every<br>60'-120',<br>updating<br>anticollision<br>report after<br>surveys. Stop<br>operations<br>and contact<br>drilling<br>engineer if<br>separation<br>factor<br>approaches<br>1.5 | No OH logs           | Ojo Alamo Ss.<br>Kirtland Shale    | 469<br>566                             |        | 8 3/4 | 7" 26ppf J55 LTC<br><br>TOC @ surface<br>(100% OH excess - 70% Lead 30%<br>Tail)<br>Stage 1 Total: 750sks<br><br>Stage 1 Lead: 420 sks Premium Lite<br>FM + 3% CaCl2 + 0.25/sk Cello Flake<br>+ 5#/sk LCM-1 + 8% Bentonite + 0.4%<br>FL-52A + 0.4% Sodium Metasilicate.<br>Mixed at 12.1 ppg Yield 2.13 cuft/sk<br><br>Stage 1 Tail: 330 sks Type III Cement<br>+ 1% CaCl2 + 0.25#/sk Cello Flake +<br>0.2% FL-52A. Mixed at 14.6 ppg Yield<br>1.38 cuft/sk | Fresh Wtr<br><br>8.3-10                                                                                                                                                                                                                                                                                                                                    | Vertical<br><br><1°               |                          |          |
|                                                                                                                                                                                              |                      | Fruitland Coal                     | 740                                    |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
|                                                                                                                                                                                              |                      | Pictured Cliffs Ss.<br>Lewis Shale | 1,581<br>1,122                         |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
|                                                                                                                                                                                              |                      | Cliffhouse Ss.<br>Menefee Fm       | 1,843<br>2,502                         |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
|                                                                                                                                                                                              |                      | Point Lookout Ss<br>Manos Shale    | 3,554<br>3,692                         |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
|                                                                                                                                                                                              |                      | KOP                                | 3,957                                  | 3,957  |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
| Surveys every<br>30' through<br>the curve                                                                                                                                                    | Mud logger<br>onsite | Manos Sil                          | 4,225                                  |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
|                                                                                                                                                                                              |                      | Gallup Fm                          | 4,502                                  |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
|                                                                                                                                                                                              |                      | 7" Csg                             | 4,479                                  | 4,568' |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |
| Surveys every<br>stand to TD<br>unless<br>directed<br>otherwise by<br>Geologist                                                                                                              | No OH Logs           | Horizontal Target<br>TD            | 4,787<br>4,789                         | 10,337 | 6 1/8 | 100' overlap at liner top                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                            | Horiz Inc/TVD<br>90.1deg/4786.5ft |                          |          |
|                                                                                                                                                                                              |                      | Base Gallup                        | 4,827                                  |        |       | 5768' Drilled Lateral                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                            |                                   | TD = 10336.7 MD          |          |
|                                                                                                                                                                                              |                      |                                    |                                        |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4 1/2" 11.6ppf SB80 LTC<br><br>TOC @ hanger<br>(50% OH excess)<br>Stage 1 Total: 330sks<br><br>Stage 1 Blend: 330 sks Premium Lite High<br>Strength FM + 0.7% bwoc R-3 + 3% bwoc<br>Potassium Chloride + 0.25lbs/sack Cello<br>Flake + 0.5% bwoc CD 32 + 1.15% bwoc FL-<br>52A + 60 lbs/sack Calcium Carbonate +<br>124.4% Fresh Water. Yield 2.63 cuft/sk | WBM<br>8.3-10                     |                          |          |
| MWD<br>Gamma<br>Directional                                                                                                                                                                  |                      |                                    |                                        |        |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                            |                                   |                          |          |

#### NOTES:

- 1) Drill with 26" bit to 60', set 16" 42.09ppf conductor pipe
- 2) Drill surface to 500', R&C 9 5/8" casing
- 3) N/U BOP and surface equipment
- 4) Drill to KOP of 3957', 8 3/4 inch hole size
- 5) Start curve at 10deg/100' build rate
- 6) Drill to csg point of 4568' MD
- 7) R&C 7" csg. circ cmt to surface
- 8) Land at ~90 deg, drill lateral to 10337' run 4 1/2 inch cemented liner



Project: San Juan County, NM  
 Site: S10-T23N-R9W (Good Times)  
 Well: Nageezi Unit L10-2309 02H  
 Wellbore: Hz  
 Design: Plan #3





## Planning Report

**Database:** USA EDM 5000 Multi Users DB  
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** San Juan County, NM  
**Site:** S10-T23N-R9W (Good Times)  
**Well:** Nageezi Unit L10-2309 02H  
**Wellbore:** Hz  
**Design:** Plan #3

**Local Co-ordinate Reference:** Well Nageezi Unit L10-2309 02H  
**TVD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**MD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

|                    |                           |                      |                |
|--------------------|---------------------------|----------------------|----------------|
| <b>Project</b>     | San Juan County, NM       |                      |                |
| <b>Map System:</b> | US State Plane 1983       | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | North American Datum 1983 |                      |                |
| <b>Map Zone:</b>   | New Mexico Western Zone   |                      |                |

|                       |                           |              |                   |                   |             |
|-----------------------|---------------------------|--------------|-------------------|-------------------|-------------|
| Site                  | S10-T23N-R9W (Good Times) |              |                   |                   |             |
| Site Position:        |                           | Northing:    | 1,906,011.80 usft | Latitude:         | 36.238214   |
| From:                 | Lat/Long                  | Easting:     | 2,737,546.65 usft | Longitude:        | -107.784316 |
| Position Uncertainty: | 0.0 usft                  | Slot Radius: | 13-3/16"          | Grid Convergence: | 0.03 °      |

|                      |                           |          |                     |                   |               |              |
|----------------------|---------------------------|----------|---------------------|-------------------|---------------|--------------|
| Well                 | Nageezi Unit L10-2309 02H |          |                     |                   |               |              |
| Well Position        | +N/-S                     | 0.0 usft | Northing:           | 1,905,983.03 usft | Latitude:     | 36.238135    |
|                      | +E/-W                     | 0.0 usft | Easting:            | 2,737,554.92 usft | Longitude:    | -107.784288  |
| Position Uncertainty | 0.0 usft                  |          | Wellhead Elevation: | usft              | Ground Level: | 6,754.0 usft |

|                  |                   |                    |                           |                         |                               |
|------------------|-------------------|--------------------|---------------------------|-------------------------|-------------------------------|
| <b>Wellbore</b>  | Hz                |                    |                           |                         |                               |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination</b><br>(°) | <b>Dip Angle</b><br>(°) | <b>Field Strength</b><br>(nT) |
|                  | IGRF2010          | 7/25/2013          | 9.59                      | 62.98                   | 50,233                        |

|                          |                                   |                        |                        |                         |
|--------------------------|-----------------------------------|------------------------|------------------------|-------------------------|
| <b>Design</b>            | Plan #3                           |                        |                        |                         |
| <b>Audit Notes:</b>      |                                   |                        |                        |                         |
| <b>Version:</b>          | <b>Phase:</b>                     | PLAN                   | <b>Tie On Depth:</b>   | 0.0                     |
| <b>Vertical Section:</b> | <b>Depth From (TVD)</b><br>(usft) | <b>+N/-S</b><br>(usft) | <b>+E/-W</b><br>(usft) | <b>Direction</b><br>(°) |
|                          | 0.0                               | 0.0                    | 0.0                    | 269.35                  |

| <b>Plan Sections</b>        |                    |                |                             |                 |                 |                               |                              |                             |            |                    |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|------------------------------|-----------------------------|------------|--------------------|
| Measured<br>Depth<br>(usft) | Inclination<br>(°) | Azimuth<br>(°) | Vertical<br>Depth<br>(usft) | +N/-S<br>(usft) | +E/-W<br>(usft) | Dogleg<br>Rate<br>(°/100usft) | Build<br>Rate<br>(°/100usft) | Turn<br>Rate<br>(°/100usft) | TFO<br>(°) | Target             |
| 0.0                         | 0.00               | 0.00           | 0.0                         | 0.0             | 0.0             | 0.00                          | 0.00                         | 0.00                        | 0.00       |                    |
| 3,957.0                     | 0.00               | 0.00           | 3,957.0                     | 0.0             | 0.0             | 0.00                          | 0.00                         | 0.00                        | 0.00       |                    |
| 4,698.4                     | 66.71              | 178.31         | 4,541.9                     | -384.8          | 11.4            | 9.00                          | 9.00                         | 0.00                        | 178.31     |                    |
| 5,709.3                     | 90.10              | 269.35         | 4,796.9                     | -986.8          | -618.7          | 9.00                          | 2.31                         | 9.01                        | 90.32      | NU L10-2309 02H PC |
| 10,336.7                    | 90.10              | 269.35         | 4,788.8                     | -1,039.5        | -5,245.8        | 0.00                          | 0.00                         | 0.00                        | 0.00       | NU L10-2309 02H PB |

# Planning Report

Database: USA EDM 5000 Multi Users DB  
 Company: EnCana Oil & Gas (USA) Inc  
 Project: San Juan County, NM  
 Site: S10-T23N-R9W (Good Times)  
 Well: Nageezi Unit L10-2309 02H  
 Wellbore: Hz  
 Design: Plan #3

Local Co-ordinate Reference: Well Nageezi Unit L10-2309 02H  
 TVD Reference: WELL @ 6770.0usft (Original Well Elev)  
 MD Reference: WELL @ 6770.0usft (Original Well Elev)  
 North Reference: True  
 Survey Calculation Method: Minimum Curvature

## Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100u) | Comments / Formations |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|---------------------|-----------------------|
| 0.0                   | 0.00            | 0.00        | 0.0                   | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 100.0                 | 0.00            | 0.00        | 100.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 200.0                 | 0.00            | 0.00        | 200.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 300.0                 | 0.00            | 0.00        | 300.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 400.0                 | 0.00            | 0.00        | 400.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 465.0                 | 0.00            | 0.00        | 465.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Ojo Alamo Ss.         |
| 500.0                 | 0.00            | 0.00        | 500.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | 9 5/8"                |
| 593.0                 | 0.00            | 0.00        | 593.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Kirtland Shale        |
| 600.0                 | 0.00            | 0.00        | 600.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 700.0                 | 0.00            | 0.00        | 700.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 800.0                 | 0.00            | 0.00        | 800.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 860.0                 | 0.00            | 0.00        | 860.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Fruitland Coal        |
| 900.0                 | 0.00            | 0.00        | 900.0                 | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,000.0               | 0.00            | 0.00        | 1,000.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,100.0               | 0.00            | 0.00        | 1,100.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,105.0               | 0.00            | 0.00        | 1,105.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Pictured Cliffs Ss.   |
| 1,200.0               | 0.00            | 0.00        | 1,200.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,295.0               | 0.00            | 0.00        | 1,295.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Lewis Shale           |
| 1,300.0               | 0.00            | 0.00        | 1,300.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,400.0               | 0.00            | 0.00        | 1,400.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,500.0               | 0.00            | 0.00        | 1,500.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,600.0               | 0.00            | 0.00        | 1,600.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,700.0               | 0.00            | 0.00        | 1,700.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,800.0               | 0.00            | 0.00        | 1,800.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 1,845.0               | 0.00            | 0.00        | 1,845.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Cliffhouse Ss.        |
| 1,900.0               | 0.00            | 0.00        | 1,900.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,000.0               | 0.00            | 0.00        | 2,000.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,100.0               | 0.00            | 0.00        | 2,100.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,200.0               | 0.00            | 0.00        | 2,200.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,300.0               | 0.00            | 0.00        | 2,300.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,400.0               | 0.00            | 0.00        | 2,400.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,500.0               | 0.00            | 0.00        | 2,500.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,582.0               | 0.00            | 0.00        | 2,582.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Menefee Fn.           |
| 2,600.0               | 0.00            | 0.00        | 2,600.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,700.0               | 0.00            | 0.00        | 2,700.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,800.0               | 0.00            | 0.00        | 2,800.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 2,900.0               | 0.00            | 0.00        | 2,900.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,000.0               | 0.00            | 0.00        | 3,000.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,100.0               | 0.00            | 0.00        | 3,100.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,200.0               | 0.00            | 0.00        | 3,200.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,300.0               | 0.00            | 0.00        | 3,300.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,400.0               | 0.00            | 0.00        | 3,400.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,500.0               | 0.00            | 0.00        | 3,500.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,550.0               | 0.00            | 0.00        | 3,550.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Point Lookout Ss.     |
| 3,600.0               | 0.00            | 0.00        | 3,600.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,690.0               | 0.00            | 0.00        | 3,690.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | Mancos Shale          |
| 3,700.0               | 0.00            | 0.00        | 3,700.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,800.0               | 0.00            | 0.00        | 3,800.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,900.0               | 0.00            | 0.00        | 3,900.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                |                       |
| 3,957.0               | 0.00            | 0.00        | 3,957.0               | 0.0          | 0.0          | 0.0                     | 0.00                    | 0.00                | KOP @ 3957'           |
| 4,000.0               | 3.87            | 178.31      | 4,000.0               | -1.5         | 0.0          | 0.0                     | 9.00                    | 9.00                |                       |
| 4,100.0               | 12.87           | 178.31      | 4,098.8               | -16.0        | 0.5          | -0.3                    | 9.00                    | 9.00                |                       |



## Planning Report

**Database:** USA EDM 5000 Multi Users DB  
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** San Juan County, NM  
**Site:** S10-T23N-R9W (Good Times)  
**Well:** Nageezi Unit L10-2309 02H  
**Wellbore:** Hz  
**Design:** Plan #3

**Local Co-ordinate Reference:** Well Nageezi Unit L10-2309 02H  
**TVD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**MD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

### Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100u) | Comments / Formations       |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|---------------------|-----------------------------|
| 4,200.0               | 21.86           | 178.31      | 4,194.1               | -45.8        | 1.4          | -0.8                    | 9.00                    | 9.00                |                             |
| 4,230.3               | 24.59           | 178.31      | 4,222.0               | -57.7        | 1.7          | -1.1                    | 9.00                    | 9.00                | Mancos Silt                 |
| 4,300.0               | 30.86           | 178.31      | 4,283.6               | -90.1        | 2.7          | -1.6                    | 9.00                    | 9.00                |                             |
| 4,400.0               | 39.86           | 178.31      | 4,365.1               | -147.9       | 4.4          | -2.7                    | 9.00                    | 9.00                |                             |
| 4,430.4               | 42.59           | 178.31      | 4,388.0               | -167.9       | 5.0          | -3.1                    | 9.00                    | 9.00                | Mancos Silt Base            |
| 4,500.0               | 48.85           | 178.31      | 4,436.5               | -217.7       | 6.4          | -4.0                    | 9.00                    | 9.00                |                             |
| 4,568.3               | 55.00           | 178.31      | 4,478.6               | -271.4       | 8.0          | -4.9                    | 9.00                    | 9.00                | 7" ICP @ 55°                |
| 4,600.0               | 57.85           | 178.31      | 4,496.2               | -297.8       | 8.8          | -5.4                    | 9.00                    | 9.00                |                             |
| 4,616.9               | 59.38           | 178.31      | 4,505.0               | -312.3       | 9.2          | -5.7                    | 9.00                    | 9.00                | Gallup Fn.                  |
| 4,698.4               | 66.71           | 178.31      | 4,541.9               | -384.8       | 11.4         | -7.0                    | 9.00                    | 9.00                | Start build/turn @ 4698' MD |
| 4,700.0               | 66.71           | 178.46      | 4,542.5               | -386.3       | 11.4         | -7.0                    | 9.00                    | -0.05               |                             |
| 4,800.0               | 66.97           | 188.25      | 4,581.9               | -477.9       | 6.0          | -0.6                    | 9.00                    | 0.26                |                             |
| 4,900.0               | 67.83           | 197.96      | 4,620.5               | -567.7       | -14.9        | 21.3                    | 9.00                    | 0.86                |                             |
| 5,000.0               | 69.26           | 207.51      | 4,657.1               | -653.4       | -50.8        | 58.3                    | 9.00                    | 1.43                |                             |
| 5,100.0               | 71.20           | 216.85      | 4,691.0               | -732.9       | -100.9       | 109.2                   | 9.00                    | 1.94                |                             |
| 5,200.0               | 73.59           | 225.96      | 4,721.3               | -804.3       | -163.9       | 173.0                   | 9.00                    | 2.39                |                             |
| 5,300.0               | 76.36           | 234.82      | 4,747.3               | -865.7       | -238.3       | 248.1                   | 9.00                    | 2.78                |                             |
| 5,400.0               | 79.45           | 243.47      | 4,768.3               | -915.8       | -322.1       | 332.5                   | 9.00                    | 3.08                |                             |
| 5,500.0               | 82.76           | 251.95      | 4,783.8               | -953.2       | -413.5       | 424.2                   | 9.00                    | 3.31                |                             |
| 5,600.0               | 86.22           | 260.29      | 4,793.4               | -977.0       | -510.0       | 521.0                   | 9.00                    | 3.47                |                             |
| 5,700.0               | 89.77           | 268.57      | 4,796.9               | -986.7       | -609.4       | 620.5                   | 9.00                    | 3.54                |                             |
| 5,709.3               | 90.10           | 269.35      | 4,796.9               | -986.8       | -618.7       | 629.9                   | 9.00                    | 3.56                | LP @ 4796' TVD; 90.1°       |
| 5,800.0               | 90.10           | 269.35      | 4,796.7               | -987.9       | -709.4       | 720.5                   | 0.00                    | 0.00                |                             |
| 5,900.0               | 90.10           | 269.35      | 4,796.6               | -989.0       | -809.3       | 820.5                   | 0.00                    | 0.00                |                             |
| 6,000.0               | 90.10           | 269.35      | 4,796.4               | -990.1       | -909.3       | 920.5                   | 0.00                    | 0.00                |                             |
| 6,100.0               | 90.10           | 269.35      | 4,796.2               | -991.3       | -1,009.3     | 1,020.5                 | 0.00                    | 0.00                |                             |
| 6,200.0               | 90.10           | 269.35      | 4,796.0               | -992.4       | -1,109.3     | 1,120.5                 | 0.00                    | 0.00                |                             |
| 6,300.0               | 90.10           | 269.35      | 4,795.9               | -993.6       | -1,209.3     | 1,220.5                 | 0.00                    | 0.00                |                             |
| 6,400.0               | 90.10           | 269.35      | 4,795.7               | -994.7       | -1,309.3     | 1,320.5                 | 0.00                    | 0.00                |                             |
| 6,500.0               | 90.10           | 269.35      | 4,795.5               | -995.8       | -1,409.3     | 1,420.5                 | 0.00                    | 0.00                |                             |
| 6,600.0               | 90.10           | 269.35      | 4,795.3               | -997.0       | -1,509.3     | 1,520.5                 | 0.00                    | 0.00                |                             |
| 6,700.0               | 90.10           | 269.35      | 4,795.2               | -998.1       | -1,609.3     | 1,620.5                 | 0.00                    | 0.00                |                             |
| 6,800.0               | 90.10           | 269.35      | 4,795.0               | -999.3       | -1,709.3     | 1,720.5                 | 0.00                    | 0.00                |                             |
| 6,900.0               | 90.10           | 269.35      | 4,794.8               | -1,000.4     | -1,809.3     | 1,820.5                 | 0.00                    | 0.00                |                             |
| 7,000.0               | 90.10           | 269.35      | 4,794.6               | -1,001.5     | -1,909.3     | 1,920.5                 | 0.00                    | 0.00                |                             |
| 7,100.0               | 90.10           | 269.35      | 4,794.5               | -1,002.7     | -2,009.3     | 2,020.5                 | 0.00                    | 0.00                |                             |
| 7,200.0               | 90.10           | 269.35      | 4,794.3               | -1,003.8     | -2,109.3     | 2,120.5                 | 0.00                    | 0.00                |                             |
| 7,300.0               | 90.10           | 269.35      | 4,794.1               | -1,004.9     | -2,209.3     | 2,220.5                 | 0.00                    | 0.00                |                             |
| 7,400.0               | 90.10           | 269.35      | 4,793.9               | -1,006.1     | -2,309.2     | 2,320.5                 | 0.00                    | 0.00                |                             |
| 7,500.0               | 90.10           | 269.35      | 4,793.8               | -1,007.2     | -2,409.2     | 2,420.5                 | 0.00                    | 0.00                |                             |
| 7,600.0               | 90.10           | 269.35      | 4,793.6               | -1,008.4     | -2,509.2     | 2,520.5                 | 0.00                    | 0.00                |                             |
| 7,700.0               | 90.10           | 269.35      | 4,793.4               | -1,009.5     | -2,609.2     | 2,620.5                 | 0.00                    | 0.00                |                             |
| 7,800.0               | 90.10           | 269.35      | 4,793.2               | -1,010.6     | -2,709.2     | 2,720.5                 | 0.00                    | 0.00                |                             |
| 7,900.0               | 90.10           | 269.35      | 4,793.1               | -1,011.8     | -2,809.2     | 2,820.5                 | 0.00                    | 0.00                |                             |
| 8,000.0               | 90.10           | 269.35      | 4,792.9               | -1,012.9     | -2,909.2     | 2,920.5                 | 0.00                    | 0.00                |                             |
| 8,100.0               | 90.10           | 269.35      | 4,792.7               | -1,014.1     | -3,009.2     | 3,020.5                 | 0.00                    | 0.00                |                             |
| 8,200.0               | 90.10           | 269.35      | 4,792.5               | -1,015.2     | -3,109.2     | 3,120.5                 | 0.00                    | 0.00                |                             |
| 8,300.0               | 90.10           | 269.35      | 4,792.4               | -1,016.3     | -3,209.2     | 3,220.5                 | 0.00                    | 0.00                |                             |
| 8,400.0               | 90.10           | 269.35      | 4,792.2               | -1,017.5     | -3,309.2     | 3,320.5                 | 0.00                    | 0.00                |                             |
| 8,500.0               | 90.10           | 269.35      | 4,792.0               | -1,018.6     | -3,409.2     | 3,420.5                 | 0.00                    | 0.00                |                             |
| 8,600.0               | 90.10           | 269.35      | 4,791.8               | -1,019.7     | -3,509.2     | 3,520.5                 | 0.00                    | 0.00                |                             |
| 8,700.0               | 90.10           | 269.35      | 4,791.7               | -1,020.9     | -3,609.2     | 3,620.5                 | 0.00                    | 0.00                |                             |

# Planning Report

**Database:** USA EDM 5000 Multi Users DB  
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** San Juan County, NM  
**Site:** S10-T23N-R9W (Good Times)  
**Well:** Nageezi Unit L10-2309 02H  
**Wellbore:** Hz  
**Design:** Plan #3

**Local Co-ordinate Reference:** Well Nageezi Unit L10-2309 02H  
**TVD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**MD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

## Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100u) | Comments / Formations |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|---------------------|-----------------------|
| 8,800.0               | 90.10           | 269.35      | 4,791.5               | -1,022.0     | -3,709.2     | 3,720.5                 | 0.00                    | 0.00                |                       |
| 8,900.0               | 90.10           | 269.35      | 4,791.3               | -1,023.2     | -3,809.1     | 3,820.5                 | 0.00                    | 0.00                |                       |
| 9,000.0               | 90.10           | 269.35      | 4,791.1               | -1,024.3     | -3,909.1     | 3,920.5                 | 0.00                    | 0.00                |                       |
| 9,100.0               | 90.10           | 269.35      | 4,791.0               | -1,025.4     | -4,009.1     | 4,020.5                 | 0.00                    | 0.00                |                       |
| 9,200.0               | 90.10           | 269.35      | 4,790.8               | -1,026.6     | -4,109.1     | 4,120.5                 | 0.00                    | 0.00                |                       |
| 9,300.0               | 90.10           | 269.35      | 4,790.6               | -1,027.7     | -4,209.1     | 4,220.5                 | 0.00                    | 0.00                |                       |
| 9,400.0               | 90.10           | 269.35      | 4,790.4               | -1,028.8     | -4,309.1     | 4,320.5                 | 0.00                    | 0.00                |                       |
| 9,500.0               | 90.10           | 269.35      | 4,790.3               | -1,030.0     | -4,409.1     | 4,420.5                 | 0.00                    | 0.00                |                       |
| 9,600.0               | 90.10           | 269.35      | 4,790.1               | -1,031.1     | -4,509.1     | 4,520.5                 | 0.00                    | 0.00                |                       |
| 9,700.0               | 90.10           | 269.35      | 4,789.9               | -1,032.3     | -4,609.1     | 4,620.5                 | 0.00                    | 0.00                |                       |
| 9,800.0               | 90.10           | 269.35      | 4,789.7               | -1,033.4     | -4,709.1     | 4,720.5                 | 0.00                    | 0.00                |                       |
| 9,900.0               | 90.10           | 269.35      | 4,789.6               | -1,034.5     | -4,809.1     | 4,820.5                 | 0.00                    | 0.00                |                       |
| 10,000.0              | 90.10           | 269.35      | 4,789.4               | -1,035.7     | -4,909.1     | 4,920.5                 | 0.00                    | 0.00                |                       |
| 10,100.0              | 90.10           | 269.35      | 4,789.2               | -1,036.8     | -5,009.1     | 5,020.5                 | 0.00                    | 0.00                |                       |
| 10,200.0              | 90.10           | 269.35      | 4,789.0               | -1,038.0     | -5,109.1     | 5,120.5                 | 0.00                    | 0.00                |                       |
| 10,300.0              | 90.10           | 269.35      | 4,788.9               | -1,039.1     | -5,209.0     | 5,220.5                 | 0.00                    | 0.00                |                       |
| 10,336.7              | 90.10           | 269.35      | 4,788.8               | -1,039.5     | -5,245.8     | 5,257.2                 | 0.00                    | 0.00                | TD at 10336.7         |

## Targets

| Target Name                                                                                   | Dip Angle (°) | Dip Dir. (°) | TVD (usft)   | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude  | Longitude   |
|-----------------------------------------------------------------------------------------------|---------------|--------------|--------------|--------------|--------------|-----------------|----------------|-----------|-------------|
| - hit/miss target                                                                             |               |              |              |              |              |                 |                |           |             |
| - Shape                                                                                       |               |              |              |              |              |                 |                |           |             |
| GT L10-2309 02H PBHL                                                                          | 0.00          | 0.00         | 4,788.8      | -149.8       | -5,253.0     | 1,905,830.53    | 2,732,301.99   | 36.237722 | -107.802101 |
| - plan misses target center by 889.7usft at 10333.8usft MD (4788.8 TVD, -1039.5 N, -5242.9 E) |               |              |              |              |              |                 |                |           |             |
| - Point                                                                                       |               |              |              |              |              |                 |                |           |             |
| GT L10-2309 02H POE                                                                           | 0.00          | 0.00         | 4,796.9      | -97.2        | -624.9       | 1,905,885.54    | 2,736,930.08   | 36.237868 | -107.786407 |
| - plan misses target center by 729.3usft at 4583.6usft MD (4487.3 TVD, -284.1 N, 8.4 E)       |               |              |              |              |              |                 |                |           |             |
| - Point                                                                                       |               |              |              |              |              |                 |                |           |             |
| GT L10-2309 02H PBHL                                                                          | 0.00          | 0.00         | 4,782.8      | -579.8       | -5,246.9     | 1,905,400.62    | 2,732,308.32   | 36.236541 | -107.802080 |
| - plan misses target center by 459.8usft at 10332.6usft MD (4788.8 TVD, -1039.5 N, -5241.7 E) |               |              |              |              |              |                 |                |           |             |
| - Point                                                                                       |               |              |              |              |              |                 |                |           |             |
| GT L10-2309 02H POE                                                                           | 0.00          | 0.00         | 4,790.8      | -527.1       | -619.6       | 1,905,455.63    | 2,736,935.60   | 36.236687 | -107.786389 |
| - plan misses target center by 460.1usft at 5665.4usft MD (4796.4 TVD, -984.9 N, -574.8 E)    |               |              |              |              |              |                 |                |           |             |
| - Point                                                                                       |               |              |              |              |              |                 |                |           |             |
| NU L10-2309 02H PBHL                                                                          | 0.00          | 0.00         | 4,788.8      | -1,039.5     | -5,245.8     | 1,904,940.86    | 2,732,309.65   | 36.235278 | -107.802076 |
| - plan hits target center                                                                     |               |              |              |              |              |                 |                |           |             |
| - Point                                                                                       |               |              |              |              |              |                 |                |           |             |
| NU L10-2309 02H POE                                                                           | 0.00          | 0.00         | 4,796.9      | -986.8       | -618.7       | 1,904,995.87    | 2,736,936.71   | 36.235424 | -107.786386 |
| - plan hits target center                                                                     |               |              |              |              |              |                 |                |           |             |
| - Point                                                                                       |               |              |              |              |              |                 |                |           |             |
|                                                                                               | 500.0         | 500.0        | 9 5/8"       |              |              |                 |                | 0         | 0           |
|                                                                                               | 4,568.3       | 4,478.6      | 7" ICP @ 55° |              |              |                 |                | 0         | 0           |



## Planning Report

**Database:** USA EDM 5000 Multi Users DB  
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** San Juan County, NM  
**Site:** S10-T23N-R9W (Good Times)  
**Well:** Nageezi Unit L10-2309 02H  
**Wellbore:** Hz  
**Design:** Plan #3

**Local Co-ordinate Reference:** Well Nageezi Unit L10-2309 02H  
**TVD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**MD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

### Formations

| Measured Depth (usft) | Vertical Depth (usft) | Name                | Lithology | Dip (°) | Dip Direction (°) |
|-----------------------|-----------------------|---------------------|-----------|---------|-------------------|
| 465.0                 | 465.0                 | Ojo Alamo Ss.       |           | -0.10   | 269.35            |
| 593.0                 | 593.0                 | Kirtland Shale      |           | -0.10   | 269.35            |
| 860.0                 | 860.0                 | Fruitland Coal      |           | -0.10   | 269.35            |
| 1,105.0               | 1,105.0               | Pictured Cliffs Ss. |           | -0.10   | 269.35            |
| 1,295.0               | 1,295.0               | Lewis Shale         |           | -0.10   | 269.35            |
| 1,845.0               | 1,845.0               | Cliffhouse Ss.      |           | -0.10   | 269.35            |
| 2,582.0               | 2,582.0               | Menefee Fn.         |           | -0.10   | 269.35            |
| 3,550.0               | 3,550.0               | Point Lookout Ss.   |           | -0.10   | 269.35            |
| 3,690.0               | 3,690.0               | Mancos Shale        |           | -0.10   | 269.35            |
| 4,230.3               | 4,222.0               | Mancos Silt         |           | -0.10   | 269.35            |
| 4,430.4               | 4,388.0               | Mancos Silt Base    |           | -0.10   | 269.35            |
| 4,616.9               | 4,505.0               | Gallup Fn.          |           | -0.10   | 269.35            |

### Plan Annotations

| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates |              | Comment                     |
|-----------------------|-----------------------|-------------------|--------------|-----------------------------|
|                       |                       | +N/-S (usft)      | +E/-W (usft) |                             |
| 3,957.0               | 3,957.0               | 0.0               | 0.0          | KOP @ 3957'                 |
| 4,698.4               | 4,541.9               | -384.8            | 11.4         | Start build/turn @ 4698' MD |
| 5,709.3               | 4,796.9               | -986.8            | -618.7       | LP @ 4796' TVD; 90.1°       |
| 10,336.7              | 4,788.8               | -1,039.5          | -5,245.8     | TD at 10336.7               |

# **EnCana Oil & Gas (USA) Inc**

**San Juan County, NM**

**S10-T23N-R9W (Good Times)**

**Nageezi Unit L10-2309 02H**

**H<sub>2</sub>**

**Plan #3**

## **Anticollision Report**

**04 September, 2014**



# Anticollision Report

Company: EnCana Oil & Gas (USA) Inc  
 Project: San Juan County, NM  
 Reference Site: S10-T23N-R9W (Good Times)  
 Site Error: 0.0usft  
 Reference Well: Nageezi Unit L10-2309 02H  
 Well Error: 0.0usft  
 Reference Wellbore: Hz  
 Reference Design: Plan #3

Local Co-ordinate Reference: Well Nageezi Unit L10-2309 02H  
 TVD Reference: WELL @ 6770.0usft (Original Well Elev)  
 MD Reference: WELL @ 6770.0usft (Original Well Elev)  
 North Reference: True  
 Survey Calculation Method: Minimum Curvature  
 Output errors are at: 2.00 sigma  
 Database: USA EDM 5000 Multi Users DB  
 Offset TVD Reference: Offset Datum

|                              |                                                                     |                |                     |
|------------------------------|---------------------------------------------------------------------|----------------|---------------------|
| Reference                    | Plan #3                                                             |                |                     |
| Filter type:                 | NO GLOBAL FILTER: Using user defined selection & filtering criteria |                |                     |
| Interpolation Method:        | MD Interval 100.0usft                                               | Error Model:   | Systematic Ellipse  |
| Depth Range:                 | Unlimited                                                           | Scan Method:   | Closest Approach 3D |
| Results Limited by:          | Maximum center-center distance of 1,195.1usft                       | Error Surface: | Elliptical Conic    |
| Warning Levels Evaluated at: | 2.00 Sigma                                                          |                |                     |

| Survey Tool Program |           | Date 9/4/2014     |             |             |
|---------------------|-----------|-------------------|-------------|-------------|
| From (usft)         | To (usft) | Survey (Wellbore) | Tool Name   | Description |
| 0.0                 | 10,336.1  | Plan #3 (Hz)      | Geolink MWD | Geolink MWD |

| Summary                                  |                                 |                              |                                 |                                  |                   |            |
|------------------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------------------|-------------------|------------|
| Site Name                                | Reference Measured Depth (usft) | Offset Measured Depth (usft) | Distance Between Centres (usft) | Distance Between Ellipses (usft) | Separation Factor | Warning    |
| Offset Well - Wellbore - Design          |                                 |                              |                                 |                                  |                   |            |
| S10-T23N-R9W (Good Times)                |                                 |                              |                                 |                                  |                   |            |
| Nageezi Unit L10-2309 01H - Hz - Plan #3 | 3,900.0                         | 3,900.0                      | 29.9                            | 16.4                             | 2.208             | CC, ES, SF |

# Anticollision Report

Company: EnCana Oil & Gas (USA) Inc  
Project: San Juan County, NM  
Reference Site: S10-T23N-R9W (Good Times)  
Site Error: 0.0usft  
Reference Well: Nageezi Unit L10-2309 02H  
Well Error: 0.0usft  
Reference Wellbore: Hz  
Reference Design: Plan #3

Local Co-ordinate Reference: Well Nageezi Unit L10-2309 02H  
TVD Reference: WELL @ 6770.0usft (Original Well Elev)  
MD Reference: WELL @ 6770.0usft (Original Well Elev)  
North Reference: True  
Survey Calculation Method: Minimum Curvature  
Output errors are at: 2.00 sigma  
Database: USA EDM 5000 Multi Users DB  
Offset TVD Reference: Offset Datum

| Offset Design S10-T23N-R9W (Good Times) - Nageezi Unit L10-2309 01H - Hz - Plan #3 |                       |                       |                       |                  |               |                       |                        |             |                        |                         |                        |                   | Offset Site Error: 0.0 usft |
|------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|------------------------|-------------|------------------------|-------------------------|------------------------|-------------------|-----------------------------|
| Survey Program: 0-Geolink MWD                                                      |                       |                       |                       |                  |               |                       |                        |             |                        |                         |                        |                   | Offset Well Error: 0.0 usft |
| Reference                                                                          |                       | Offset                |                       | Semi Major Axis  |               | Highside Toolface (°) | Offset Wellbore Centre |             | Distance               |                         | Total Uncertainty Axis | Separation Factor | Warning                     |
| Measured Depth (usft)                                                              | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) |                       | +N-E (usft)            | +E-W (usft) | Between Centres (usft) | Between Ellipses (usft) |                        |                   |                             |
| 0.0                                                                                | 0.0                   | 0.0                   | 0.0                   | 0.0              | 0.0           | -16.01                | 28.8                   | -8.3        | 29.9                   |                         |                        |                   |                             |
| 100.0                                                                              | 100.0                 | 100.0                 | 100.0                 | 0.1              | 0.1           | -16.01                | 28.8                   | -8.3        | 29.9                   | 29.6                    | 0.29                   | 102.037           |                             |
| 200.0                                                                              | 200.0                 | 200.0                 | 200.0                 | 0.3              | 0.3           | -16.01                | 28.8                   | -8.3        | 29.9                   | 29.3                    | 0.64                   | 46.610            |                             |
| 300.0                                                                              | 300.0                 | 300.0                 | 300.0                 | 0.5              | 0.5           | -16.01                | 28.8                   | -8.3        | 29.9                   | 28.9                    | 0.99                   | 30.198            |                             |
| 400.0                                                                              | 400.0                 | 400.0                 | 400.0                 | 0.7              | 0.7           | -16.01                | 28.8                   | -8.3        | 29.9                   | 28.6                    | 1.34                   | 22.334            |                             |
| 500.0                                                                              | 500.0                 | 500.0                 | 500.0                 | 0.8              | 0.8           | -16.01                | 28.8                   | -8.3        | 29.9                   | 28.2                    | 1.69                   | 17.719            |                             |
| 600.0                                                                              | 600.0                 | 600.0                 | 600.0                 | 1.0              | 1.0           | -16.01                | 28.8                   | -8.3        | 29.9                   | 27.9                    | 2.04                   | 14.685            |                             |
| 700.0                                                                              | 700.0                 | 700.0                 | 700.0                 | 1.2              | 1.2           | -16.01                | 28.8                   | -8.3        | 29.9                   | 27.5                    | 2.39                   | 12.538            |                             |
| 800.0                                                                              | 800.0                 | 800.0                 | 800.0                 | 1.4              | 1.4           | -16.01                | 28.8                   | -8.3        | 29.9                   | 27.2                    | 2.74                   | 10.939            |                             |
| 900.0                                                                              | 900.0                 | 900.0                 | 900.0                 | 1.5              | 1.5           | -16.01                | 28.8                   | -8.3        | 29.9                   | 26.9                    | 3.09                   | 9.702             |                             |
| 1,000.0                                                                            | 1,000.0               | 1,000.0               | 1,000.0               | 1.7              | 1.7           | -16.01                | 28.8                   | -8.3        | 29.9                   | 26.5                    | 3.43                   | 8.716             |                             |
| 1,100.0                                                                            | 1,100.0               | 1,100.0               | 1,100.0               | 1.9              | 1.9           | -16.01                | 28.8                   | -8.3        | 29.9                   | 26.2                    | 3.78                   | 7.912             |                             |
| 1,200.0                                                                            | 1,200.0               | 1,200.0               | 1,200.0               | 2.1              | 2.1           | -16.01                | 28.8                   | -8.3        | 29.9                   | 25.8                    | 4.13                   | 7.243             |                             |
| 1,300.0                                                                            | 1,300.0               | 1,300.0               | 1,300.0               | 2.2              | 2.2           | -16.01                | 28.8                   | -8.3        | 29.9                   | 25.5                    | 4.48                   | 6.679             |                             |
| 1,400.0                                                                            | 1,400.0               | 1,400.0               | 1,400.0               | 2.4              | 2.4           | -16.01                | 28.8                   | -8.3        | 29.9                   | 25.1                    | 4.83                   | 6.197             |                             |
| 1,500.0                                                                            | 1,500.0               | 1,500.0               | 1,500.0               | 2.6              | 2.6           | -16.01                | 28.8                   | -8.3        | 29.9                   | 24.8                    | 5.18                   | 5.779             |                             |
| 1,600.0                                                                            | 1,600.0               | 1,600.0               | 1,600.0               | 2.8              | 2.8           | -16.01                | 28.8                   | -8.3        | 29.9                   | 24.4                    | 5.53                   | 5.414             |                             |
| 1,700.0                                                                            | 1,700.0               | 1,700.0               | 1,700.0               | 2.9              | 2.9           | -16.01                | 28.8                   | -8.3        | 29.9                   | 24.1                    | 5.88                   | 5.093             |                             |
| 1,800.0                                                                            | 1,800.0               | 1,800.0               | 1,800.0               | 3.1              | 3.1           | -16.01                | 28.8                   | -8.3        | 29.9                   | 23.7                    | 6.23                   | 4.807             |                             |
| 1,900.0                                                                            | 1,900.0               | 1,900.0               | 1,900.0               | 3.3              | 3.3           | -16.01                | 28.8                   | -8.3        | 29.9                   | 23.4                    | 6.58                   | 4.552             |                             |
| 2,000.0                                                                            | 2,000.0               | 2,000.0               | 2,000.0               | 3.5              | 3.5           | -16.01                | 28.8                   | -8.3        | 29.9                   | 23.0                    | 6.93                   | 4.323             |                             |
| 2,100.0                                                                            | 2,100.0               | 2,100.0               | 2,100.0               | 3.6              | 3.6           | -16.01                | 28.8                   | -8.3        | 29.9                   | 22.7                    | 7.27                   | 4.115             |                             |
| 2,200.0                                                                            | 2,200.0               | 2,200.0               | 2,200.0               | 3.8              | 3.8           | -16.01                | 28.8                   | -8.3        | 29.9                   | 22.3                    | 7.62                   | 3.927             |                             |
| 2,300.0                                                                            | 2,300.0               | 2,300.0               | 2,300.0               | 4.0              | 4.0           | -16.01                | 28.8                   | -8.3        | 29.9                   | 22.0                    | 7.97                   | 3.755             |                             |
| 2,400.0                                                                            | 2,400.0               | 2,400.0               | 2,400.0               | 4.2              | 4.2           | -16.01                | 28.8                   | -8.3        | 29.9                   | 21.6                    | 8.32                   | 3.597             |                             |
| 2,500.0                                                                            | 2,500.0               | 2,500.0               | 2,500.0               | 4.3              | 4.3           | -16.01                | 28.8                   | -8.3        | 29.9                   | 21.3                    | 8.67                   | 3.453             |                             |
| 2,600.0                                                                            | 2,600.0               | 2,600.0               | 2,600.0               | 4.5              | 4.5           | -16.01                | 28.8                   | -8.3        | 29.9                   | 20.9                    | 9.02                   | 3.319             |                             |
| 2,700.0                                                                            | 2,700.0               | 2,700.0               | 2,700.0               | 4.7              | 4.7           | -16.01                | 28.8                   | -8.3        | 29.9                   | 20.6                    | 9.37                   | 3.195             |                             |
| 2,800.0                                                                            | 2,800.0               | 2,800.0               | 2,800.0               | 4.9              | 4.9           | -16.01                | 28.8                   | -8.3        | 29.9                   | 20.2                    | 9.72                   | 3.081             |                             |
| 2,900.0                                                                            | 2,900.0               | 2,900.0               | 2,900.0               | 5.0              | 5.0           | -16.01                | 28.8                   | -8.3        | 29.9                   | 19.9                    | 10.07                  | 2.974             |                             |
| 3,000.0                                                                            | 3,000.0               | 3,000.0               | 3,000.0               | 5.2              | 5.2           | -16.01                | 28.8                   | -8.3        | 29.9                   | 19.5                    | 10.42                  | 2.874             |                             |
| 3,100.0                                                                            | 3,100.0               | 3,100.0               | 3,100.0               | 5.4              | 5.4           | -16.01                | 28.8                   | -8.3        | 29.9                   | 19.2                    | 10.77                  | 2.781             |                             |
| 3,200.0                                                                            | 3,200.0               | 3,200.0               | 3,200.0               | 5.6              | 5.6           | -16.01                | 28.8                   | -8.3        | 29.9                   | 18.8                    | 11.11                  | 2.694             |                             |
| 3,300.0                                                                            | 3,300.0               | 3,300.0               | 3,300.0               | 5.7              | 5.7           | -16.01                | 28.8                   | -8.3        | 29.9                   | 18.5                    | 11.46                  | 2.611             |                             |
| 3,400.0                                                                            | 3,400.0               | 3,400.0               | 3,400.0               | 5.9              | 5.9           | -16.01                | 28.8                   | -8.3        | 29.9                   | 18.1                    | 11.81                  | 2.534             |                             |
| 3,500.0                                                                            | 3,500.0               | 3,500.0               | 3,500.0               | 6.1              | 6.1           | -16.01                | 28.8                   | -8.3        | 29.9                   | 17.8                    | 12.16                  | 2.462             |                             |
| 3,600.0                                                                            | 3,600.0               | 3,600.0               | 3,600.0               | 6.3              | 6.3           | -16.01                | 28.8                   | -8.3        | 29.9                   | 17.4                    | 12.51                  | 2.393             |                             |
| 3,700.0                                                                            | 3,700.0               | 3,700.0               | 3,700.0               | 6.4              | 6.4           | -16.01                | 28.8                   | -8.3        | 29.9                   | 17.1                    | 12.86                  | 2.328             |                             |
| 3,800.0                                                                            | 3,800.0               | 3,800.0               | 3,800.0               | 6.6              | 6.6           | -16.01                | 28.8                   | -8.3        | 29.9                   | 16.7                    | 13.21                  | 2.265             |                             |
| 3,900.0                                                                            | 3,900.0               | 3,900.0               | 3,900.0               | 6.8              | 6.8           | -16.01                | 28.8                   | -8.3        | 29.9                   | 16.4                    | 13.56                  | 2.208 CC, ES, SF  |                             |
| 4,000.0                                                                            | 4,000.0               | 3,995.6               | 3,995.3               | 7.0              | 6.9           | 171.51                | 34.8                   | -6.4        | 37.1                   | 23.2                    | 13.88                  | 2.674             |                             |
| 4,100.0                                                                            | 4,098.8               | 4,082.7               | 4,080.4               | 7.1              | 7.1           | -179.60               | 52.0                   | -1.1        | 70.5                   | 56.5                    | 13.99                  | 5.040             |                             |
| 4,200.0                                                                            | 4,194.1               | 4,153.0               | 4,146.9               | 7.4              | 7.3           | -175.21               | 74.0                   | 5.6         | 128.8                  | 115.0                   | 13.84                  | 9.309             |                             |
| 4,300.0                                                                            | 4,283.7               | 4,219.3               | 4,208.3               | 7.7              | 7.5           | -173.89               | 98.5                   | 10.3        | 203.3                  | 189.8                   | 13.48                  | 15.081            |                             |
| 4,400.0                                                                            | 4,365.1               | 4,274.3               | 4,259.3               | 8.2              | 7.6           | -174.82               | 118.8                  | 8.9         | 287.0                  | 274.1                   | 12.92                  | 22.214            |                             |
| 4,500.0                                                                            | 4,436.6               | 4,314.8               | 4,296.7               | 8.8              | 7.8           | -176.01               | 133.7                  | 4.8         | 378.2                  | 366.0                   | 12.22                  | 30.947            |                             |
| 4,600.0                                                                            | 4,496.2               | 4,340.0               | 4,319.9               | 9.7              | 7.8           | -176.47               | 142.9                  | 1.0         | 474.8                  | 463.3                   | 11.48                  | 41.369            |                             |
| 4,700.0                                                                            | 4,542.5               | 4,349.7               | 4,328.8               | 10.9             | 7.9           | -171.40               | 146.4                  | -0.7        | 574.1                  | 563.1                   | 11.00                  | 52.198            |                             |
| 4,800.0                                                                            | 4,581.9               | 4,353.5               | 4,332.3               | 12.1             | 7.9           | 97.09                 | 147.8                  | -1.4        | 673.8                  | 654.0                   | 10.75                  | 64.109            |                             |
| 4,900.0                                                                            | 4,620.5               | 4,360.4               | 4,338.6               | 13.4             | 7.9           | 89.48                 | 150.3                  | -2.8        | 771.5                  | 750.5                   | 20.97                  | 36.781            |                             |
| 5,000.0                                                                            | 4,657.1               | 4,371.1               | 4,348.2               | 14.7             | 8.0           | 85.24                 | 154.1                  | -5.0        | 865.8                  | 843.9                   | 21.95                  | 39.447            |                             |
| 5,100.0                                                                            | 4,691.0               | 4,386.8               | 4,362.4               | 16.1             | 8.0           | 82.23                 | 159.8                  | -8.6        | 955.7                  | 932.9                   | 22.75                  | 42.002            |                             |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

# Anticollision Report

**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** San Juan County, NM  
**Reference Site:** S10-T23N-R9W (Good Times)  
**Site Error:** 0.0usft  
**Reference Well:** Nageezi Unit L10-2309 02H  
**Well Error:** 0.0usft  
**Reference Wellbore:** Hz  
**Reference Design:** Plan #3

**Local Co-ordinate Reference:** Well Nageezi Unit L10-2309 02H  
**TVD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**MD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature  
**Output errors are at** 2.00 sigma  
**Database:** USA EDM 5000 Multi Users DB  
**Offset TVD Reference:** Offset Datum

| Offset Design S10-T23N-R9W (Good Times) - Nageezi Unit L10-2309 01H - Hz - Plan #3 |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                        |                   | Offset Site Error: | 0.0 usft |
|------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|---------------|-----------------------|-------------------------------------|--------------|------------------------|-------------------------|------------------------|-------------------|--------------------|----------|
| Survey Program: 0-Geolink MWD                                                      |                       |                       |                       |                  |               |                       |                                     |              |                        |                         |                        |                   | Offset Well Error: | 0.0 usft |
| Reference                                                                          |                       | Offset                |                       | Semi Major Axis  |               |                       | Distance                            |              |                        |                         |                        |                   |                    | Warning  |
| Measured Depth (usft)                                                              | Vertical Depth (usft) | Measured Depth (usft) | Vertical Depth (usft) | Reference (usft) | Offset (usft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (usft) | +E/-W (usft) | Between Centres (usft) | Between Ellipses (usft) | Total Uncertainty Axis | Separation Factor |                    |          |
| 5,200.0                                                                            | 4,721.3               | 4,409.9               | 4,383.2               | 17.5             | 8.1           | 80.18                 | 168.0                               | -14.6        | 1,040.1                | 1,016.7                 | 23.41                  | 44.440            |                    |          |
| 5,300.0                                                                            | 4,747.3               | 4,445.2               | 4,414.5               | 18.9             | 8.2           | 79.15                 | 180.3                               | -25.4        | 1,118.2                | 1,094.2                 | 23.95                  | 46.689            |                    |          |
| 5,400.0                                                                            | 4,768.3               | 4,502.2               | 4,463.7               | 20.4             | 8.5           | 79.45                 | 199.7                               | -46.6        | 1,188.7                | 1,164.3                 | 24.44                  | 48.637            |                    |          |



## Anticollision Report

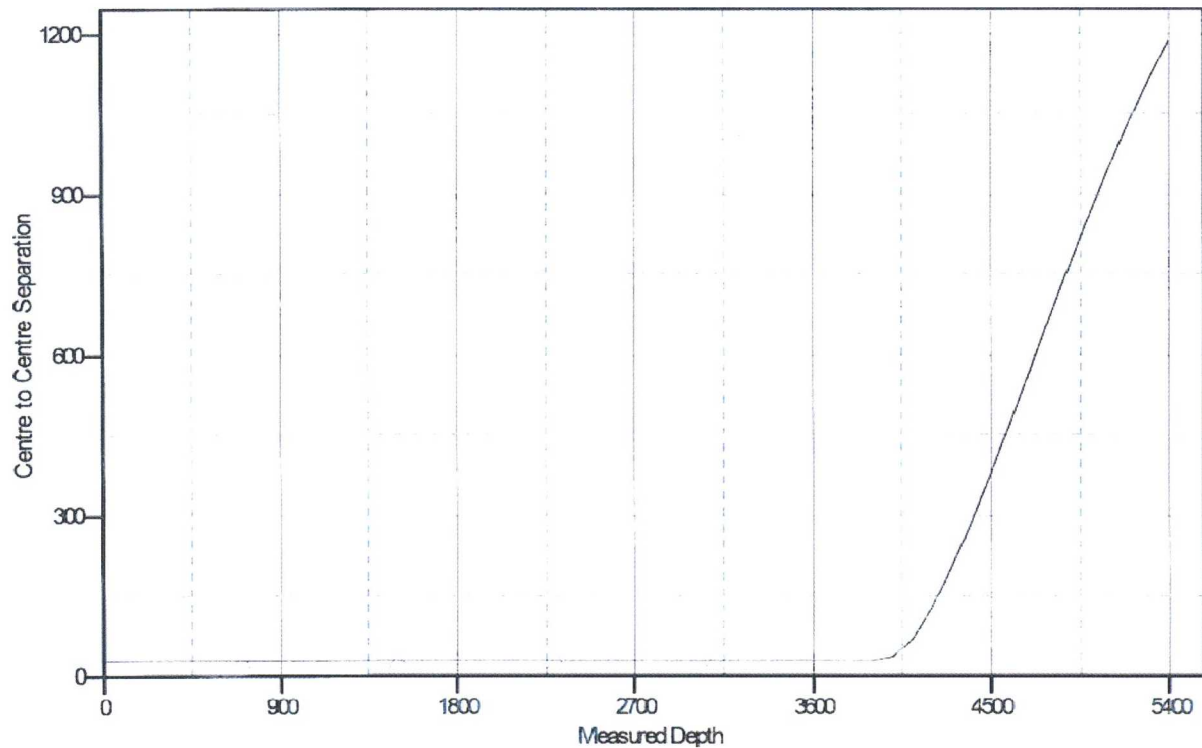
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** San Juan County, NM  
**Reference Site:** S10- T23N- R9W (Good Times)  
**Site Error:** 0.0usft  
**Reference Well:** Nageezi Unit L10-2309 02H  
**Well Error:** 0.0usft  
**Reference Wellbore:** Hz  
**Reference Design:** Plan #3

**Local Co-ordinate Reference:** Well Nageezi Unit L10-2309 02H  
**TVD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**MD Reference:** WELL @ 6770.0usft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature  
**Output errors are at** 2.00 sigma  
**Database:** USA EDM 5000 Multi Users DB  
**Offset TVD Reference:** Offset Datum

Reference Depths are relative to WELL @ 6770.0usft (Original Well Ele  
 Offset Depths are relative to Offset Datum  
 Central Meridian is -107.833333°

Coordinates are relative to: Nageezi Unit L10-2309 02H  
 Coordinate System is US State Plane 1983, New Mexico Western Zone  
 Grid Convergence at Surface is: 0.03°

### Ladder Plot



### LEGEND

Nageezi Unit L10-2309 01H, Hz, Plan #3 V0

**ENCANA OIL & GAS (USA) INC.**

NAGEEZI UNIT L 10-2309 #02H  
1426' FSL & 296' FWL  
LOCATED IN THE NW/4 SW/4 OF SECTION 10,  
T23N, R9W, N.M.P.M.,  
SAN JUAN COUNTY, NEW MEXICO

**DIRECTIONS**

- 1) FROM THE INTERSECTION OF HWY 64 & HWY 550 IN BLOOMFIELD, GO SOUTH ON HWY 550, 36.0 MILES TO NAGEEZE.
- 2) TURN RIGHT ON CR 7800 AND GO 0.4 MILES.
- 3) CR 7800 CURVES RIGHT, HEAD STRAIGHT ONTO CR 7820 AND GO 2.8 MILES TO THE ACCESS ROAD FOR THE FEDERAL D #6.
- 4) TURN RIGHT AND GO 0.1 MILES TO EXISTING LOCATION WHERE ACCESS IS FLAGGED ON NORTH SIDE OF PAD

WELL FLAG LOCATED AT LAT. 36.238135° N, LONG. 107.784288° W (NAD 83).

