TYPE PLC

APP NO PRG 1309258

ABOVE THIS LINE FOR DIVISION USE ONLY

#### NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



		AD	MINISTRATI	/E APPLICA	TION CHEC	KLIST	
TH	IS CHECKLIS	T IS MANDA	TORY FOR ALL ADMINISTR WHICH REQUIRE PR	ATIVE APPLICATIONS FO			GULATIONS
Applic	ation Acro	nyms:	WHOTTREGOINETR	OCEOGING AT THE DIVIO	ION ELVEL IN SANTATE		
	_		d Location] [NSP-No				-
	_			ΓB-Lease Commingl · Off-Lease Storage]	-	ease Commingli Measurement]	<b>.</b> 81
	_	[WF	X-Waterflood Expans	on] [PMX-Pressu	re Maintenance Ex		- A9 JA
	[EOR-	-Qualifie	SWD-Salt Water Dis Enhanced Oil Recov		on Pressure Increa [PPR-Positive Pro		ana Oil & Gas
	_			•	_	/	3-21131
[1]			CATION - Check Th ocation - Spacing Unit				
	Į,	4] Lo	NSL NSP	SD	ication	Lyprock	. D22-2206 *1H 3-21128
	_	_		<del></del>			
			e Only for [B] or [C] ommingling - Storage	Magguramant		3 4 (	DZZ-2206 *2H
			DHC CTB		OLS	OLMI .	3-21136
	F.	~ .					A03-2206*1H
	) J	[] <u>In</u>	jection - Disposal - Pro ] WFX [] PMX		nanced Oil Recovery PI	•	3-21123 / . Ho3-2206#1H
		L	,		. C Lon C	V5121-14	12-211270
	-	-	ther: Specify			/ Lybrook	A32-2306#1H 3-21126
[2]	NOTIFIC	CATION	REQUIRED TO: - (	Check Those Which	Apply, or □ Does N	10t Apply	3-21126
	[/	A] 🗵	Working, Royalty o	r Overriding Royalty	Interest Owners	Lybrook	H32-2300 4 H 3-21129
	ſI.	B] [	Offset Operators, L	easeholders or Surfac	ce Owner	( 1 uhmok	.132-2306#1H
		_				18030-043	-21125°
	[(	C]	• •	Which Requires Pub		Lybrook	.132-2306#2H
	[]	D] 🗵		Concurrent Approva	l by BLM or SLO	√ <b>(9) 30-04</b> 3	3-21117
	·		0.5. Bureau of Land Manageri	ient - Commissioner of Public L	ands, State Land Office	LyDrook	436-2307#1H
	[1]	E] 🗵	For all of the above	Proof of Notification Attachment No.	on or Publication is a presents copies of notific		mailed Certified/
	[H	a [	Waivers are Attache	•	RR). Upon receipt of RRs,	copies will be sent to N	MOCD.
	լլ	·}	j Walvers are Attach	ou .			
[3]			RATE AND COMPL		ON REQUIRED T	TO PROCESS T	НЕ ТҮРЕ
	OF APPI	LICATIO	ON INDICATED AB	OVE.			
[4]	CERTIF	ICATIO	N: I hereby certify that	t the information sul	bmitted with this ap	plication for adm	inistrative
			omplete to the best of			o action will be	taken on this
арриса		_	ed information and not				
		Note: Stat	ement must be completed		anagerial and/or super	rvisory capacity.	, .
Holly Hill			Signature V	Hu	Regulatory Analyst		3/21/13
Print or	Type Name		Signature /	-	Title		Date '
					holly.hill@encan	a.com	

e-mail Address



March 26, 2013

Ms. Jami Bailey New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Mr. Larry Roybal
Oil, Gas & Minerals Division
New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504

Re: Application for Gathering System Lybrook Trunk #1 Gathering System

Sandoval County, New Mexico

Dear Ms. Bailey, Mr. Evans and Ms. Roybal:

Transmitted Via Certified Mail

Mr. Dave Evans, District Manager Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402



Encana Oil & Gas (USA) Inc. (Encana) requests Administrative Approval for a new gathering system, known as the Lybrook Trunk #1 Gathering System (LGS), which will be installed, maintained and operated by Encana. This requires surface commingling of gas plus off-lease measurement and sale of natural produced gas at a central delivery point, gas custody transfer meter (CDP). There will not be any commingling of oil or condensate and there is no Indian acreage associated with any of the wells to be added. Initially, nine (9) wells will be authorized for connection to the LGS, which are listed on Attachment No. 1, all of which will be operated by Encana. The LGS will tie into Enterprise Products Partners' (Enterprise) CDP in the SWNW of Section 36, T23N R7W.

Enclosed please find the following:

- A. Administrative Application Checklist for Poo/Lease Commingling dated March 26, 2013.
- B. State of New Mexico Oil Conservation Division Form C-107-B, Application for Pool/Lease Commingling dated March 26, 2013. Attached to and made part of the Application for Pool/Lease Commingling please find the following:

Attachment No. 1: Presents the wells, leases and pool information for all nine (9) wells.

**Attachment No. 2:** Presents a map of the LGS pipeline, depicting the nine (9) wells that will tie into the LGS which will tie into Enterprise's CDP meter in the SWNW of Section 36, T23N R7W. The LGS pipeline is approximately 45,000-feet in length, stretching across both Bureau of Land Management (BLM) and State of New Mexico Land Office (SLO) surface. Encana received (BLM) approval for the Lybrook Trunk #1 Pipeline on February 22, 2013 for Federal surface and SLO approval on September 7, 2012 for State surface.

Condensate and oil will be separated, stored and sold on each lease. Each well will be equipped with a continuous recording gas allocation meter (or some form of approved alternative measurement) operated and maintained by Encana. Prior to converting any gas measurement from a conventional allocation meter to an alternative measurement method, Encana will seek formal approvals. The allocation procedures are presented on **Attachment No. 5**.

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 **District III** 1000 Rio Brazos Road, Aztec, NM 87410 District IV

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

E-MAIL ADDRESS: holly.hill@encana.com

#### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

#### **OIL CONSERVATION DIVISION**

1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICA	TION FOR SURFACE	COMMINGLING	(DIVERSE	OWNERSHIP)					
OPERATOR NAME:	Encana Oil & Gas (USA) Inc.			•					
OPERATOR ADDRESS:	370 17 <sup>th</sup> Street, Suite 1700, Der	iver, CO 80202							
APPLICATION TYPE:									
Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)									
LEASE TYPE:									
Have the Bureau of Land Ma	Is this an Amendment to existing Order? \( \subseteq \text{Yes} \) No \( \text{If "Yes", please include the appropriate Order No.} \) Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling \( \text{Yes} \) \( \subseteq \text{No} \)								
		OL COMMINGLING s with the following in							
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes				
Lybrook Gallup (42289)	41° API/1350 BTU	Only gas to be commingled		Only gas to be commingled	5 – 500 mcfd				
Wildcat Gallup (97981) 41° API/1350 BTU 1350 BTU Value = +/- \$3.30 mmbtu 5 - 500 mcfd									
Wildcat Gallup (Sec 3, T22N R6	W) 41° API/1350 BTU	<u>-</u>			5 – 500 mcfd				
(3) Has all interest owners been notified by certified mail of the proposed commingling?   (4) Measurement type:     Metering   Other (Specify)									
(C) POOL and LEASE COMMINGLING Please attach sheets with the following information									
(1) Complete Sections A and E.									
(D) OFF-LEASE STORAGE and MEASUREMENT  Please attached sheets with the following information  (1) Is all production from same source of supply?   Yes   No  (2) Include proof of notice to all interest owners. See Attachment No. 4									
	(E) ADDITIONAL INFO	RMATION (for all	application tv	pes)					
		s with the following in		1 7					
(2) A plat with lease boundarie	cility, including legal location. See A s showing all well and facility location. See I Numbers, and API Numbers. See	ttachment No. 2 and Atta ions. Include lease numbe	chment No. 5	ate lands are involved. A	ttachment No.2				
	on above is true and complete to the	best of my knowledge and	d belief.	DATE:_ <b>3</b> /	24/13				
TYPE OR PRINT NAME: Holly	/		TELEI	<i>t</i> Phone no.: <u>720-876-5</u>	•				



Attachment No. 3: Presents a leasehold ownership summary for each of the nine (9) wells. The royalty interest is Federal and State. There is no Fee or Indian Royalty (confirm). As required by the New Mexico Oil Conservation Division (NMOCD) all interest owners have been given notice of this application. As provided by Rule 19.15.12.10C(g)(i&ii), Encana is requesting that the NMOCD order issued for the LGS also include a provision that for future additions to the LGS, only the interest owners in the wells being added need to be notified, provided that in reasonable probability the proposed additions will not adversely affect the interest owners in the well already approved for the system.

**Attachment No. 4**: Presents a copy of the notice sent to the interest owners for the wells. All notice letters have been mailed certified, return receipt. Upon receiving the return receipts, copies will be forwarded to the NMOCD.

Attachment No. 5: Presents the allocation procedures for the LGS.

In conclusion, Encana is requesting approval to install and operate a new gas gathering system to be called the Lybrook Trunk #1 Gas Gathering System (LGS), which will require surface commingling plus off-lease measurement and sale of produced gas. In addition, we are requesting that the NMOCD order issued for the LGS also include a provision that for future additions to the LGS, only the interest owners in the wells being added need to be notified.

Please feel free to contact me directly at 720-876-5331 with any questions or concerns.

Encana Oil & Gas (USA) Inc.

Holly Hill

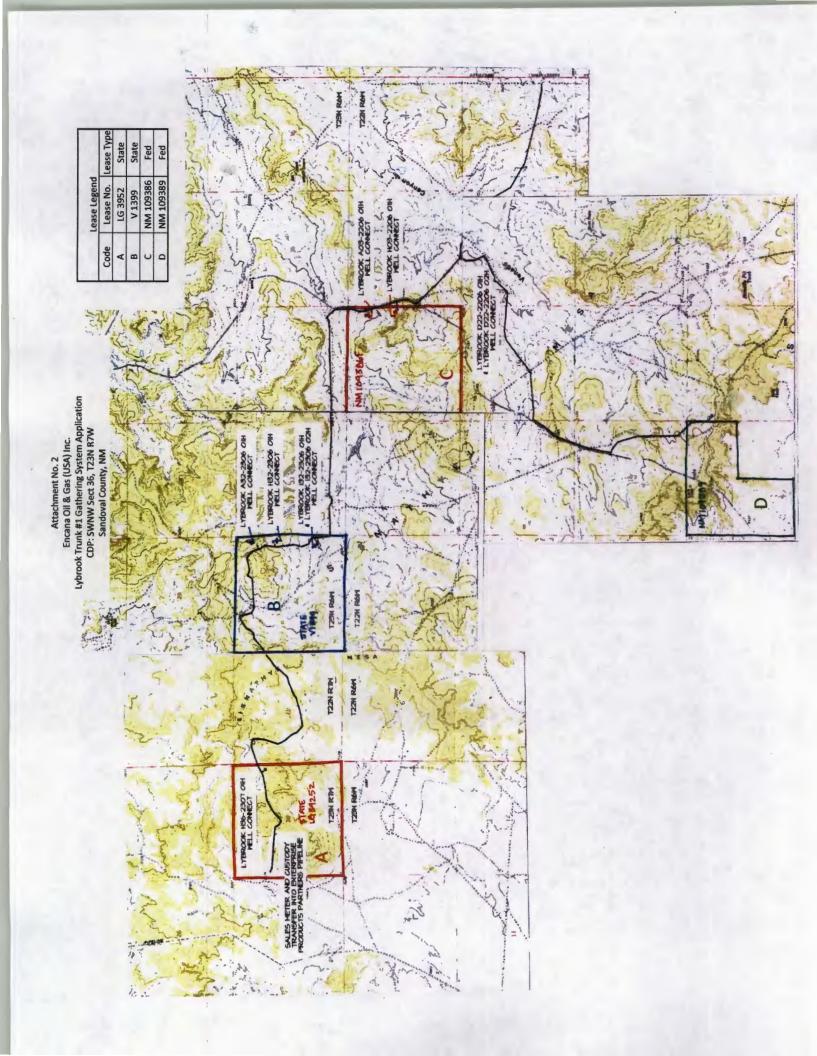
Regulatory Analyst

Enc.

## Encana Oil Gas (USA) Inc. Lybrook Trunk Line #1 Gathering System Application Sandoval County, New Mexico Attachment No. 1

		Well Location	3.00					
Well Name	API No.	UL-Sec-Twn-Rng	Project Area	Pool *	Lease No.	Lease Type	Completion Date	Well Status
Lybrook H36-2307 01H   30-043-21117	30-043-21117	SENE-36-23N-7W	S2N2 Sec 36 23N 7W (160 acres)	Lybrook Gallup Pool	LG-3925	State of NM	03/10/2012	Completed
Lybrook A03-2206 01H   30-043-21130   NENE-3-22N-6W	30-043-21130		N2N2 Sec 3 22N 6W (160 acres)	Wildcat Gallup	NM109386	NM109386 Federal/BLM	11/17/2012	Completed
Lybrook D22-2206 01H	30-043-21131	SWNW-22-22N-6W	Lybrook D22-2206 01H   30-043-21131   SWNW-22-22N-6W   N2N2 Sec 22 22N 6W (160 acres)   Wildcat Gallup (97981)   NM109389   Federal/BLM	Wildcat Gallup (97981)	NM109389	Federal/BLM	01/06/2013	Completed
HZ@ 9022-220 X001043	30-043-21128	- AND INTER-SZ-AANIAAS	<u></u>	Wildcat Gallup (97961)	695601 MIN	W109369 Pederal/DLM	N/A	Not Brilled
Lybrook H03-2206 01H	30-043-21123	SENE-3-22N-6W	Lybrook H03-2206 01H   30-043-21123   SENE-3-22N-6W   S2N2 Sec 3 22N 6W (160 acres)	Widlcat Gallup	NM109386	M109386 Federal/BLM	N/A	Not Drilled
OIH Lybrook A32-2306 ***** 30-043-21127 NENE-32-23N-6W	30-043-21127	NENE-32-23N-6W	N2N2 Sec 32; N2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	V-1399, NM89021	State of NM, Federal/BLM	N/A	Not Drilled
Lybrook H32-2306 01H   30-043-21126		SENE-32-23N-6W	S2N2 Sec 32; S2NE Sec 31 23N 6W (240 acres)	Lybrook Gallup Pool	V-1399, NM89021	State of NM, Federal/BLM	N/A	Not Drilled
Lybrook 132-2306 01H   30-043-21129		NESE-32-23N-6W	NESE-32-23N-6W   N2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	V-1399	State of NM	N/A	Not Drilled
Lybrook 132-2306 02H   30-043-21125   NESE-32-23N-6W	30-043-21125		S2S2 Sec 32 23N 6W (160 acres)	Lybrook Gallup Pool	V-1399	State of NM	N/A	Not Drilled

<sup>\*</sup>To date, Encana has one (1) horizontal well producing from the Lybrook Gallup Pool and two (2) horizontal wells producing from the Wildcat Gallup Pool. These three (3) wells were targeted and completed in a correlative interval within the Mancos formation. Completion design was also very similar in the three (3) wells. Initial flowback and hydrocarbon analysis results show very similar BTU heating content. The other six (6) wells that are scheduled to be drilled and commingled will also be targeted and completed in the same interval within the Mancos formation.



API 30-043-21128

API 30-043-21131

Lybrook D22-2206 01H
Unit D, Section 22, T22N R6W
Project Area: N2N2 Section 21, T22N R6W (160 acres)

Interest Owner Federal Lease NM 109389
WC Galling Lybrook D22-2206 02H
Unit D, Section 22, T22N R6W
Project Area: N2N2 Section 21, T22N R6W (160 acres)
Federal Lease NM 109389
WC Gallup

тотац	Overriding Royalty Interest Synergy Operating, LLC PO Box 5513 Farmington, NM 87449	Royalty Interest USA c/o BLM	Working Interest Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	Interest Owner
100.000%	0.000%	0.000%	<u>Gross</u> 100.000%	
100.000%	7.500%	12.500%	<u>Net</u> 80.000%	WC Gallup
TOTAL	Overriding Royalty Interest Synergy Operating, LLC PO Box 5513 Farmington, NM 87449	Royalty Interest USA c/o BLM	Working Interest Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	Interest Owner
100.000%	0.000%	0.000%	<u>Gross</u> 100.000%	
100.000%	7.500%	12.500%	<u>Net</u> 80.000%	WC Gallup

API 30-043-21123

API 30-043-2)130

Interest Owner Lybrook A03-2206 01H
Unit A, Section 3, T22N R6W
Project Area: N2N2 Section 3, T22N R6W (160 acres)
Federal Lease NM 109386
Wildcat Interest Owner Lybrook H03-2206 01H
Unit H, Section 3, T22N R6W
Project Area: S2N2 Section 3, T22N R6W (160 acres)
Federal Lease NM 109386
Wildcat

тотац	Overriding Royalty Interest Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	Royalty Interest USA c/o BLM	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	Working Interest Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202
100.000%	0.000%	0.000%	50.000%	<u>Gross</u> 50.000%
100.000%	2.500%	12.500%	43.750%	Net 41.250%
TOTAL -	Overriding Royalty Interest Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	Royalty Interest USA c/o BLM	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	Working Interest Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202
100.000%	0.000%	0.000%	50.000%	<u>Gross</u> 50.000%
100.000%	2.500%	12.500%	43.750%	<u>Net</u> 41.250%

## Attachment No. 3

API 30-043-21127 Lybrook Trunk #1 Gathering System Application

API 30-043-21126

Interest Owner Lybrook A32-2306 01H
Unit H, Section 32, T23N R6W
Project Area: N2N2 Section 32, T23N R6W (160 acres); N2NE Section 31, T23N R6W
State Lease V-1399, Federal Lease NM89021
Lybrook Gallup Pool Interest Owner Lybrook H32-2306 01H
Unit H, Section 32, T23N R6W
Project Area: S2N2 Section 32, T23N R6W (160 acres);
S2NE Section 31, T23N R6W
State Lease V-1399, Federal Lease NM89021
Lybrook Gallup Pool

100.000%	100.000%	TOTAL	100.000%	100.000%	TOTAL
0.93%	0.000%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	0.93%	0.000%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401
0.20%	0.000%	Myco Industries Inc. 105 South 4th Street Artesia, NM 88210	0.20%	0.000%	Myco Industries Inc. 105 South 4th Street Artesia, NM 88210
0.20%	0.000%	Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	0.20%	0.000%	Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210
1.400%	0.000%	Overriding Royalty Interest Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	1.400%	0.000%	Overriding Royalty Interest Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210
4.166%	0.000%	USA c/o BLM	4.166%	0.000%	USA c/o BLM
11.112%	0.000%	Royalty Interest State of New Mexico	11.112%	0.000%	Royalty Interest State of New Mexico
0.000%	0.000%	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	0.000%	0.000%	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506
41,461%	50.000%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	41.461%	50.000%	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401
<u>Net</u> 40.528%	<u>Gross</u> 50.000%	Working Interest Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	<u>Net</u> 40.528%	<u>Gross</u> 50.000%	Working Interest Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202

Interest Owner Interest Owner

Lybrook I32-2306 01H
Unit I, Section 32, T23N R6W
Project Area: N2S2 Section 32, T23N R6W (160 acres)
State Lease V-1399
Lybrook Gallup Pool API 30-043-21129 Lybrook I32-2306 02H
Unit I, Section 32, T23N R6W
Project Area: S2S2 Section 32, T23N R6W (160 acres) API 30-043-21125 State Lease V-1399 Lybrook Gallup Pool

TOTAL	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	Myco Industries Inc. 105 South 4th Street Artesia, NM 88210	Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	Overriding Royalty Interest Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	Royalty Interest State of New Mexico	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	Working Interest Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202
100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	50.000%	<u>Gross</u> 50.000%
100.000%	0.15%	0.30%	0.30%	2.100%	16.667%	0.000%	40.317%	<u>Net</u> 40.167%
TOTAL	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	Myco Industries Inc. 105 South 4th Street Artesia, NM 88210	Abo Petroleum Corporation 105 South 4th Street Artesia, NM 88210	Overriding Royalty Interest Yates Petroleum Corporation 105 South 4th Street Artesia, NM 88210	Royalty Interest State of New Mexico	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506	Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401	Working Interest Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202
100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	50.000%	<u>Gross</u> 50.000%
100.000%	0.15%	0.30%	0.30%	2.100%	16.667%	0.000%	40.317%	<u>Net</u> 40.167%

## Encana Oil Gas (USA) Inc. Lybrook Trunk #1 Gathering System Application Attachment No. 3

Sandoval County, NM

API 30-643-21117

Lybrook H36-2307 01H
Unit H, Section 36, T23N R7W
Project Area: S2N2 Section 36, T23N R7W (160 acres)

State Lease LG 3925 Lybrook Gallup Pool

Interest Owner

Working Interest
Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202 Dugan Production Corp. 709 E. Murray Dr. <u>Gross</u> 50.000% 50.000% <u>Net</u> 41.250% 43.750%

Royalty Interest

Farmington, New Mexico 87401

State of New Mexico, Acting

Commissioner of Public Lands by and through its 0.000% 12.500%

Overriding Royalty Interest
Dugan Production Corp. 709 E. Murray Dr. 0.000%

2.500%

Farmington, New Mexico 87401

100.000% 100.000%

The interests reflected herein are what is known to Encana at this time, and Encana makes no warranty or representation as to their accuracy.

As evidence that all interest ownership parties in the subject well have been given notice of Encana's application, attached please find:

- 1) The Leasehold Interest Owner's Address List for the Lybrook Trunk #1 Gathering System.
- 2) Copies of Encana's letters, dated March 22, 2013, used to send copies of the subject application to the leasehold interest owners for the wells connecting to the Lybrook Trunk #1 Gathering System. The letters were transmitted via certified mail/return receipt. Upon receiving receipts, a copy will be sent to NMOCD.
- 3) All royalty interest is State and BLM. Since the NMSLO and the BLM are receiving this application requesting their approval, a separate notice letter was not sent to the royalty interest owners. The application to the NMSLO and BLM were transmitted via certified mail/return receipt. Upon receiving receipts, a copy will be sent to NMOCD.

<sup>\*</sup>Please note Attachment No. 4 contains thirty-one (31) pages.

#### **Working Interest Owners:**

Encana Oil & Gas (USA) Inc. 370 17<sup>th</sup> Street, Suite 1700 Denver CO 80202

Dugan Production Corp. 709 E. Murray Dr. Farmington, NM 87401

OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046-0506

#### **Royalty Interest Owner:**

Bureau of Land Management 6251 College Blvd., Suite A Farmington, NM 87402

New Mexico State Land Office Oil, Gas & Minerals Division P.O. Box 1148 Santa Fe, NM 87504

#### **Overriding Royalty Interest:**

Dugan Production Corp. 709 E. Murray Dr. Farmington, NM 87401

Yates Petroleum Corporation 105 South 4<sup>th</sup> Street Artesia, NM 88210

Abo Petroleum Corporation 105 South 4<sup>th</sup> Street Artesia, NM 88210

Myco Industries Inc. 105 South 4<sup>th</sup> Street Artesia, NM 88210

New Mexico State Land Office Oil, Gas & Minerals Division P.O. Box 1148 Santa Fe, NM 87504

Synergy Operating LLC P.O. Box 5513 Farmington, NM 57449



March 22, 2013

Synergy Operating, LLC P.O. Box 5513 Farmington, New Mexico 87449

Re: Interest Owner in the Lybrook D22-2206 01H

Application for Gathering System Lybrook Trunk #1 Gathering System Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Synergy Operating, LLC P.O. Box 5513 Farmington, New Mexico 87449

Re: Interest Owner in the Lybrook D22-2206 02H
Application for Gathering System
Lybrook Trunk #1 Gathering System

Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly, Encana Oil & Gas (USA) Inc.

Georgia Kofoed
Land Group Lead
720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401

Re: Interest Owner in the Lybrook A03-2206 01H

Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401

Re: Interest Owner in the Lybrook H03-2206 01H

Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Walan Totack

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401

Re:

Interest Owner in the Lybrook A32-2306 01H

Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

your kafaid

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0506

Re:

Interest Owner in the Lybrook A32-2306 01H

Application for Gathering System Lybrook Trunk #1 Gathering System Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

circlain Raford

Enc.

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202

) a c a c a c a c a c



March 22, 2013

Yates Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Re:

Interest Owner in the Lybrook A32-2306 01H

Application for Gathering System Lybrook Trunk #1 Gathering System Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Ilotara Raford

Enc.

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202

Dage 9 of 31



March 22, 2013

Abo Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Re:

Interest Owner in the Lybrook A32-2306 01H

Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Myco Industries Inc. 105 South 4th Street Artesia, New Mexico 88210

Re:

Interest Owner in the Lybrook A32-2306 01H

Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed ) Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Sieraia Papara

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401

Re: Interest Owner in the Lybrook H32-2306 01H

Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed / Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Georgea Teapard

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0506

Re: Interest Owner in the Lybrook H32-2306 01H

Application for Gathering System Lybrook Trunk #1 Gathering System

Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

George Laface

Enc.

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202

Page 13 of 31



March 22, 2013

Yates Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Re: Interest Owner in the Lybrook H32-2306 01H

Application for Gathering System Lybrook Trunk #1 Gathering System

Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Georgea Todora

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Myco Industries Inc. 105 South 4th Street Artesia, New Mexico 88210

Re: Interest Owner in the Lybrook H32-2306 01H

Application for Gathering System Lybrook Trunk #1 Gathering System

Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Abo Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Re:

Interest Owner in the Lybrook H32-2306 01H

Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401

Re:

Interest Owner in the Lybrook I32-2306 01H

Application for Gathering System Lybrook Trunk #1 Gathering System Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed ) Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Georga Roboca

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0506

Re: Interest Owner in the Lybrook i32-2306 01H
Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed ) Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Yates Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Re:

Interest Owner in the Lybrook I32-2306 01H
Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed
Land Group Lead
720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Myco Industries Inc. 105 South 4th Street Artesia, New Mexico 88210

Re: Interest Owner in the Lybrook I32-2306 01H

Application for Gathering System Lybrook Trunk #1 Gathering System

Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed ) Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Abo Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Re: Intere

Interest Owner in the Lybrook I32-2306 01H
Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202

Siman Rufaca



March 22, 2013

Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401

Re: Interest Owner in the Lybrook I32-2306 02H
Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202

Jorgen Teapard



March 22, 2013

OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0506

Re: Interest Owner in the Lybrook I32-2306 02H
Application for Gathering System

Lybrook Trunk #1 Gathering System
Sendoval County New Movies

Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed )
Land Group Lead
720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Yates Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Re: Interest Owner in the Lybrook I32-2306 02H
Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.



March 22, 2013

Myco Industries Inc. 105 South 4th Street Artesia, New Mexico 88210

Re:

Interest Owner in the Lybrook I32-2306 02H
Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed
Land Group Lead
720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.

# Attachment No. 4 Encana Oil & Gas (USA) Inc. Lybrook Trunk #1 Gathering System Sandoval County, NM



March 22, 2013

Abo Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Re: Interest Owner in the Lybrook 132-2306 02H
Application for Gathering System
Lybrook Trunk #1 Gathering System

Sandoval County, New Mexico

#### Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed Land Group Lead 720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202

# Attachment No. 4 Encana Oil & Gas (USA) Inc. Lybrook Trunk #1 Gathering System Sandoval County, NM



March 22, 2013

Dugan Production Corp. 709 E. Murray Dr. Farmington, New Mexico 87401

Re: Interest Owner in the Lybrook H36-2307 01H

Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandayal County New Maying

Sandoval County, New Mexico

Dear Owner:

According to our records, you have an interest, as described above, in the cited well(s) that Encana Oil & Gas (USA) Inc. (Encana) is planning to tie-in to a new gathering system, the Lybrook Trunk #1 Gathering System (LGS). The LGS will be installed and operated by Encana, and will require surface commingling of gas, and in some cases off-lease measurement and sale of produced natural gas. Encana has secured the necessary rights-of-way to install, operate and maintain the LGS.

Initially, nine (9) wells will be connected to the LGS upon their completion; all of which will be operated by Encana. All wells will be equipped with individual gas measurement equipment for allocation purposes and will benefit from central compression which should keep wellhead operating pressure as low as possible. There will not be any downhole commingling of oil or condensate and there is no Indian acreage associated with any of the aforementioned wells.

This matter does not require any action on your part. Current New Mexico Oil Conservation Division (NMOCD) Regulations require that all affected interest owners (those in the existing system and those being added) receive notice of proposed future additions to the LGS. Included in Encana's application is a request that for future additions to the LGS, only the interest owners in the wells to be added will require notification provided that the proposed additions do not adversely affect the existing wells in the LGS. This will greatly simplify adding wells to the LGS. If you have any questions, concerns or need additional information please contact the undersigned at your earliest convenience. Should there be any objections to Encana's application, please let me know. Additionally, you should also contact the NMOCD in writing with any objections within twenty (20) days from the date the NMOCD receives Encana's application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. Encana would appreciate a copy of any objection.

Yours Truly,

Encana Oil & Gas (USA) Inc.

Georgia Kofoed
Land Group Lead
720.876.5445 (O)

email: Georgia.kofoed@encana.com

Enc.

Encana Oil & Gas (USA) Inc.

370 17th Street. Suite 1700, Denver Colorado 80202

<ul> <li>Attachment No. 4</li> </ul>		
Encana Oil & Gas (USA) Inc.	MPLETE THIS SECTION ON DE	LIVERY
Lybrook Trunk #1 Gathering System	Signature	
Sandoval County, NM  Print your name and address on the reverse		☐ Agent ☐ Address
so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by ( Printed Name)	C. Date of Delive
Article Addressed to:	D. Is delivery address different from its     If YES, enter delivery address bek	
Ms. Jami Bailey		
New Mexico Oil Conservation		
Division		
1220 South St. Francis Drive Santa Fe, NM 87505	3. Service Type  22 Certified Meil  Registered Insured Mail  C.O.D.	ail ceipt for Merchandi
	4. Restricted Delivery? (Extra Fee)	☐ Yes
Article Number 7011 35     (Transfer from service label)	00 0001 2196 0857	
PS Form 3811, February 2004 Domestic	Return Receipt	102595-02-M-1
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELI	VERY
Complete items 1, 2, and 3. Also complete	A. Signature	_
item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	X	☐ Agent ☐ Addressee
so that we can return the card to you.	B. Received by ( Printed Name)	C. Date of Delivery
Attach this card to the back of the mailpiece, or on the front if space permits.		
1. Article Addressed to:	D. Is delivery address different from item If YES, enter delivery address below	—
Myco Industries Inc.		
105 South 4 <sup>th</sup> Street		
Artesia, NM 88210		
	3. Service Type    IZFCertified Meil   D Express Meil   D Registered   IZFReturn Recei	i Ipt for Merchandise
	4. Restricted Delivery? (Extra Fee)	☐ Yes
2. Article Number 7011 350	0 0001 5146 0452	
PS Form 3811, February 2004 Domestic Re	turn Receipt	102595-02-M-1540
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIV	ERY
Complete items 1, 2, and 3. Also complete	A. Signature	
item 4 if Restricted Delivery is desired.	X	☐ Agent
Print your name and address on the reverse so that we can return the card to you.		<ul><li>Addressee</li><li>Date of Delivery</li></ul>
Attach this card to the back of the mailpiece, or on the front if space permits.		
, Article Addressed to:	D. Is delivery address different from Item If YES, enter delivery address below:	
Dugan Production Corp Attn: Kurt Fagrelius 709 E. Murray Drive		
Farmington, New Mexico 87499-0420	3. Service Type    DS.Certified Mail   Express Mail   Registered   Express Mail   Receip   Insured Mail   C.O.D.	ot for Merchandise
	4. Restricted Delivery? (Extra Fee)	☐ Yes
2. Article Number  Transfer from service lebel 7 0 1 1 3 5 0	0 0001 5146 0418	
(manual normal n		pages to take the
S Form 3811, February 2004 Domestic Ret		102595-02-M-154

# Attachment No. 4 Encana Oil & Gas (USA) Inc.

Lybrook Trunk #1 Gathering System	OMPLETE THIS SECTION ON DELIVERY
Sandoval County, NM Complete items 1, 2, and 3. Also complete	A. Signature
item 4 if Restricted Delivery is desired.	X Agent
Print your name and address on the reverse so that we can return the card to you.	☐ ☐ Addresse
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by ( Printed Name) C. Date of Deliver
Article Addressed to:	D. Is delivery address different from Item 1?  Yes
. Article Addressed to:	If YES, enter delivery address below:   No
Yates Petroleum Corporation	
105 South 4 <sup>th</sup> Street	
Artesia, NM 88210	
	3. Service Type
	DZ-Certified Mail   Express Mail   Registered   DZ-Return Receipt for Merchandis
	☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Article Number 7011 35	00 0001 5746 0888
Contract Con	Return Receipt 102595-02-M-15-
	10000-02-W-13
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete Items 1, 2, and 3. Also complete	A. Signature
item 4 If Restricted Delivery is desired.	X Agent
Print your name and address on the reverse so that we can return the card to you.	LI Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
Article Addressed to:	D. Is delivery address different from item 1? Yes
	If YES, enter delivery address below:   No
Mr. Larry Roybal	
Oil, Gas & Minerals Division	
New Mexico State Land Office PO Box 1148	
Santa Fe, NM 87504	3. Service Type    D2 Certified Mail   Express Mail
Sama 1 c, 1441 07504	
	☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee) Yes
2. Article Number 7011 3500 (Transfer from service lebel)	0001 5146 0871
PS Form 3811, February 2004 Domestic Ref	turn Receipt 102595-02-M-1540
	- 10 Tourn day sainthigh earth on the phare that the sandause saint saint in the saint saint saint saint saint
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete Items 1, 2, and 3. Also complete	A. Signature
item 4 if Restricted Delivery is desired.	X Agent
Print your name and address on the reverse so that we can return the card to you.	B. Received by ( Printed Name) C. Date of Delivery
Attach this card to the back of the mailpiece, or on the front if space permits.	,
Article Addressed to:	D. Is delivery address different from item 1? Yes
	If YES, enter delivery address below: LJ No
OXY Y-1 Company	
5 Greenway Plaza, Suite 110	
Houston, TX 77046-0506	· I
•	3. Service Type  DEContilled Mail   D Express Mail
•	3. Service Type  2-Certified Mail  Registered  Discrete Receipt for Merchandise
•	☐ Registered ☐ Express Mail ☐ Express Mail ☐ Receipt for Merchandise ☐ C.O.D.
2. Article Number	☐ Registered ☐ Express Mail ☐ Required ☐ Redurn Receipt for Merchandise

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

F 01 0 0				
Encana Oil & Ga	s (USA) Inc.	PLETE THIS SE	ECTION ON DEL	IVERY
Lybrook Trunk #1 Ga	thering System			
Sandoval Cou	inty, NM	nature		<b>—</b>
■ Print your name and address or		X		☐ Agent ☐ Addressee
so that we can return the card t	lo you.	B. Received by ( Prin	stad Mamai	
Attach this card to the back of the bac	the mailpiece,	b. Housived by ( Pill	NOU Name)	C. Date of Delivery
or on the front if space permits.	•	5 1 4 5 14		
1. Article Addressed to:		D. Is delivery address If YES, enter deliv		
Abo Petroleum Corporation				
105 South 4 <sup>th</sup> Street				
Artesia, NM 88210				
	•	3. Service Type		
		El-Certified Mail	☐ Express Mal	t
		☐ Registered	•	alpt for Merchandise
		☐ Insured Mail	C.O.D.	
		4. Restricted Delivery	? (Extra Fee)	☐ Yes
2. Article Number				
(Transfer from service label)	7011 350	0 0001 SJAF	0895	
PS Form 3811, February 2004	D			
1 0 1 0 m 1 0 0 1 1, Pebruary 2004	Domestic Ret	um Hecelpt		102595-02-M-1540
i				
SENDER: COMPLETE THIS SE	CTION	COMPLETE THIS S	ECTION ON DEL	IVERY
<u></u>		GOMPLETE THIS S	ECTION ON DEL	IVERY
SENDER: COMPLETE THIS SE  Complete items 1, 2, and 3. All item 4 if Restricted Delivery is	so complete	A. Signature	ECTION ON DEL	
Complete items 1, 2, and 3. All item 4 if Restricted Delivery is Print your name and address of	so complete desired. on the reverse		ECTION ON DEL	
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is</li> <li>Print your name and address of so that we can return the card</li> </ul>	so complete desired. on the reverse to you.	A. Signature		☐ Agent
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is</li> <li>Print your name and address of so that we can return the card</li> <li>Attach this card to the back of</li> </ul>	so complete desired. on the reverse to you. the mailpiece,	A. Signature		☐ Agent ☐ Addressee
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is an end address of so that we can return the card.</li> <li>Attach this card to the back of or on the front if space permits.</li> </ul>	so complete desired. on the reverse to you. the mailpiece,	A. Signature  X  B. Received by ( Pri	nted Name)	☐ Agent ☐ Addressee C. Date of Delivery
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is</li> <li>Print your name and address of so that we can return the card</li> <li>Attach this card to the back of</li> </ul>	so complete desired. on the reverse to you. the mailpiece,	A. Signature  X  B. Received by (Pri  D. Is delivery addres	nted Name)	☐ Agent ☐ Addressee C. Date of Delivery mn 1? ☐ Yes
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is an end address of so that we can return the card.</li> <li>Attach this card to the back of or on the front if space permits.</li> </ul>	so complete desired. on the reverse to you. the mailpiece,	A. Signature  X  B. Received by (Pri  D. Is delivery addres	nted Name) s different from ite	☐ Agent ☐ Addressee C. Date of Delivery mn 1? ☐ Yes
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is an end address of so that we can return the card.</li> <li>Attach this card to the back of or on the front if space permits.</li> </ul>	so complete desired. on the reverse to you. the mailplece,	A. Signature  X  B. Received by (Pri  D. Is delivery addres	nted Name) s different from ite	☐ Agent ☐ Addressee C. Date of Delivery mn 1? ☐ Yes
Complete items 1, 2, and 3. All item 4 if Restricted Delivery is Print your name and address on so that we can return the card Attach this card to the back of or on the front if space permits.  Article Addressed to:  Bureau of Land Management.	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by (Pri  D. Is delivery addres	nted Name) s different from ite	☐ Agent ☐ Addressee C. Date of Delivery mn 1? ☐ Yes
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is a Print your name and address of so that we can return the card.</li> <li>Attach this card to the back of or on the front if space permits.</li> <li>Article Addressed to:</li> <li>Bureau of Land Manageme 6251 College Blvd., Suite Addressed.</li> </ul>	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by (Pri  D. Is delivery addres	nted Name) s different from ite	☐ Agent ☐ Addressee C. Date of Delivery mn 1? ☐ Yes
Complete items 1, 2, and 3. All item 4 if Restricted Delivery is Print your name and address on so that we can return the card Attach this card to the back of or on the front if space permits.  Article Addressed to:  Bureau of Land Management.	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by (Pri  D. Is delivery addres  If YES, enter deli	nted Name) s different from ite	☐ Agent ☐ Addressee C. Date of Delivery mn 1? ☐ Yes
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is a Print your name and address of so that we can return the card.</li> <li>Attach this card to the back of or on the front if space permits.</li> <li>Article Addressed to:</li> <li>Bureau of Land Manageme 6251 College Blvd., Suite Addressed.</li> </ul>	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by ( Pri  D. Is delivery addres If YES, enter deli  3. Service Type	nted Name) s different from ite very addræss belo	Agent Addressee C. Date of Delivery  om 1? Yes ow: No
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is a Print your name and address of so that we can return the card.</li> <li>Attach this card to the back of or on the front if space permits.</li> <li>Article Addressed to:</li> <li>Bureau of Land Manageme 6251 College Blvd., Suite Addressed.</li> </ul>	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by (Pri  D. Is delivery addres If YES, enter deli  3. Service Type  C: Certified Mail	nted Name) s different from ite very addrass belo	Agent Addressee C. Date of Delivery  om 1? Yes ow: No
<ul> <li>Complete items 1, 2, and 3. All item 4 if Restricted Delivery is a Print your name and address of so that we can return the card.</li> <li>Attach this card to the back of or on the front if space permits.</li> <li>Article Addressed to:</li> <li>Bureau of Land Manageme 6251 College Blvd., Suite Addressed.</li> </ul>	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by (Pri  D. Is delivery addres If YES, enter deli  3. Service Type  Cartified Mail	s different from ite very addrass belo Express Ma Return Rec	Agent Addressee C. Date of Delivery  om 1? Yes ow: No
Complete items 1, 2, and 3. All item 4 if Restricted Delivery is Print your name and address of so that we can return the card Attach this card to the back of or on the front if space permits  Article Addressed to:  Bureau of Land Manageme 6251 College Blvd., Suite Addressed Attach Manageme 6251 College Blvd., Suite Addressed Attach Manageme 6251 College Blvd., Suite Addressed Manageme 6251 College Blvd.	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by (Pri  D. Is delivery addres  If YES, enter deli  3. Service Type  Cortifled Mail  Registered  Insured Mail	s different from ite very address belo Express Ma Express Ma	Agent Addressee C. Date of Delivery  In 1? Yes W: No
■ Complete items 1, 2, and 3. All item 4 if Restricted Delivery is a Print your name and address of so that we can return the card. ■ Attach this card to the back of or on the front if space permits.  1. Article Addressed to:  Bureau of Land Manageme 6251 College Blvd., Suite Affarmington, NM 87402	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by (Pri  D. Is delivery addres  If YES, enter deli  3. Service Type  Certified Mail  Registered Insured Mail  4. Restricted Delive	s different from ite very address belong Express Martin Record C.O.D.	Agent Addressee C. Date of Delivery  om 1? Yes ow: No
■ Complete items 1, 2, and 3. All item 4 if Restricted Delivery is a Print your name and address of so that we can return the card.  Attach this card to the back of or on the front if space permits.  1. Article Addressed to:  Bureau of Land Manageme 6251 College Blvd., Suite Afarmington, NM 87402.	so complete desired. on the reverse to you. the mailpiece, s. ent	A. Signature  X  B. Received by (Pri  D. Is delivery addres  If YES, enter deli  3. Service Type  Certified Mail  Registered Insured Mail  4. Restricted Delive	s different from ite very address belong Express Martin Record C.O.D.	Agent Addressee C. Date of Delivery  In 1? Yes W: No
■ Complete items 1, 2, and 3. All item 4 if Restricted Delivery is a Print your name and address of so that we can return the card. ■ Attach this card to the back of or on the front if space permits.  1. Article Addressed to:  Bureau of Land Manageme 6251 College Blvd., Suite Affarmington, NM 87402	so complete desired. on the reverse to you. the mailpiece, s.	A. Signature  X  B. Received by (Pri  D. Is delivery addres  If YES, enter deli  3. Service Type  Cortifled Mail  Registered  Insured Mail	s different from ite very address belong Express Martin Record C.O.D.	Agent Addressee C. Date of Delivery  In 1? Yes W: No

#### Attachment No. 4 Encana Oil & Gas (USA) Inc. OMPLETE THIS SECTION ON DELIVERY Lybrook Trunk #1 Gathering System Signature Sandoval County, NM ☐ Agent □ Addressee Print your name and address on the reverse so that we can return the card to you. C. Date of Delivery B. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: If YES, enter delivery address below: Synergy Operating LLC P.O. Box 5513 Farmington, NM 57449 3. Service Type Certified Mail ☐ Express Mail ☐ Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number 7011 3500 0001 2196 0932 (Transfer from service label) PS Form 3811, February 2004

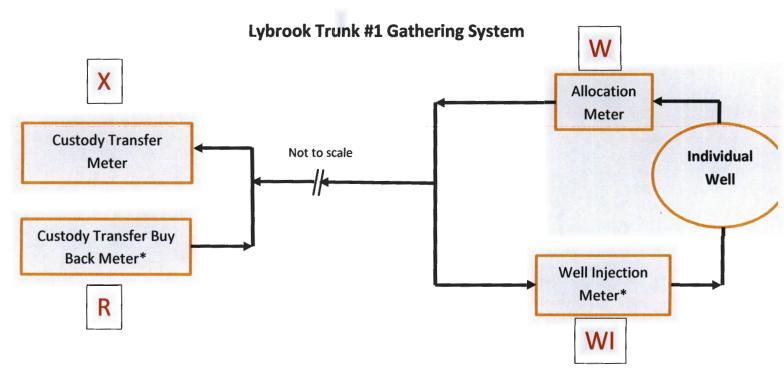
Domestic Return Receipt

102595-02-M-1540

Page 31 of 31

# Attachment No. 5 Encana Oil & Gas (USA) Inc. Lybrook Trunk #1 Gathering System Sandoval County, NM

#### **Allocation Procedures**



#### Legend:

X = Gas Volume (MCF) from Custody Transfer Meter during allocation period. (Enterprise)

R = Gas Volume (MCF) from Custody Transfer Buy Back Meter (Enterprise)\*

W = Gas Volume (MCF) from allocation meters at individual wells during allocation period. (Encana)

WI = Gas Volume (MCF) from well injection meter at individual wells during allocation period. (Encana)\*

Y = Heating Value (BTU/scf) from Custody Transfer Meter and Custody Transfer Buy Back Meter during allocation period. (Enterprise)

Z = Heating Value (BTU/scf) from individual well allocation meter and well injection meter. (Encana)

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

\*Meter will only be installed and active when gas lift is installed.

Individual Well Gas Production = ((W-WI) / SUM(W-WI))\*(X-R)

Individual Well BTU's = (((W-WI)\*Z) / SUM((W-WI)\*Z)) \* Y

Individual well gas heating values to be determined in accordance with BLM regulations.



April 11, 2013

#### Transmitted Via Certified Mail

Ms. Jami Bailey New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Amendment to Application for Gathering System
Lybrook Trunk #1 Gathering System
Sandoval County, New Mexico

Dear Ms. Bailey:

Encana Oil & Gas (USA) Inc. (Encana) submitted an application for Administrative Approval for a new gathering system, known as the Lybrook Trunk #1 Gathering System (LGS) which was dated March 26, 2013. Due to recent conversations with the Farmington Bureau of Land Management (BLM) Encana wishes to amend said application to include an acreage dedication plat, gas lift metering allocation and schematic for each of the wells that we wish to connect to the LGS which are attached herein. Additionally, Encana has decided not to drill the Lybrook D22-2206 02H well at this time and therefore have not included a gas lift metering allocation and schematic for this well. Please note that copies of the gas lift metering allocation and schematic for each well has been provided to the BLM and New Mexico State Land Office. Lastly, please find enclosed copies of certified return receipts as listed below

Moreover, please find attached the following items:

1) Lybrook H36-2307 01H Acreage Dedication Plat (C-102)

a. Lybrook H36-2307 01H Gas Lift Metering Allocation and Schematic

√2) Lybrook A03-2206 01H Acreage Dedication Plat (C-102)

a. Lybrook A03-2206 01H Gas Lift Metering Allocation and Schematic

(C-102) Lybrook H03-2206 01H Acreage Dedication Plat (C-102)

a. Lybrook H03-2206 01H Gas Lift Metering Allocation and Schematic
 4) Lybrook D22-2206 01H Acreage Dedication Plat (C-102)

a. Lybrook D22-2206 01H Gas Lift Metering Allocation and Schematic

5) Lybrook A32-2306 01H Acreage Dedication Plat (C-102)
a. Lybrook A32-2306 01H Gas Lift Metering Allocation and Schematic

6) Lybrook H32-2306 01H Acreage Dedication Plat (C-102)

(C-102) Lybrook H32-2306 01H Acreage Dedication Plat (C-102)

a. Lybrook H32-2306 01H Gas Lift Metering Allocation and Schematic

1) Lybrook I32-2306 01H Acreage Dedication Plat (C-102)8) Lybrook I32-2306 01H Acreage Dedication Plat (C102)

a. Lybrook I32-2306 01H & 02H Gas Lift Metering Allocation and Schematic

9) Lybrook I32-2306 01H & 02H Gas Lift Metering Allocation and Schematic

10) Certified Return Receipt for Dugan Production Corp.

11) Certified Return Receipt for Abo Petroleum Corporation

12) Certified Return Receipt for the Bureau of Land Management



- 13) Certified Return Receipt for Myco Industries Inc.
- 14) Certified Return Receipt for Yates Petroleum
- 15) Certified Return Receipt for Synergy Operating LLC

Should you have any technical questions regarding the gas lift meter allocation and schematic please contact Brian Bradshaw directly at 720-876-3780. Should have any questions regarding the application, please feel free to contact me directly at 720-876-5331.

Encana Oil & Gas (USA) Inc.

Holly Hill

Regulatory Analyst

Enc.

District I 1525 N. French Orive. Phone: (575) 393-6161 Fax: (575) 393-0720 Fax: (575) 393-0720 Fax: (575) 748-1283 Fax: (575) 748-9720 Fax: (575)

NR9 "23" 09" W 2638.15" (NEASURED)

#### 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 Drive Santa Fe, NM 87505

AS-DRILLED

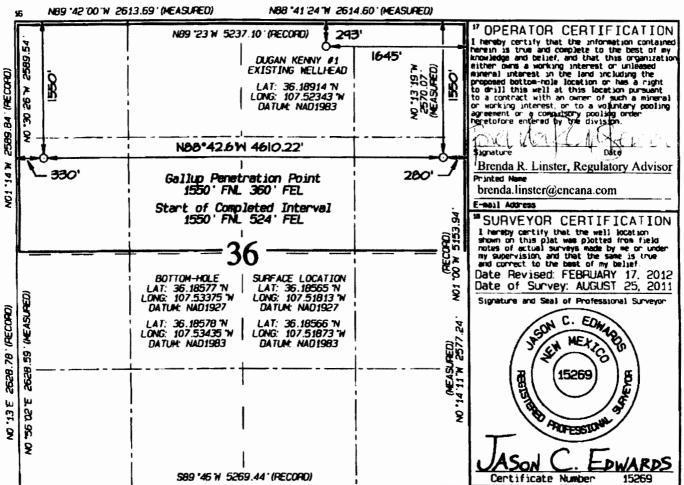
District IV 58/176 Fe, NM 8/505
1220 S. St. Francis Drive, Santa Fe, NM 8/7505
Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

			MLLL L	JUCA 1 IC	NA WIND WO	UCACE DEDIC	ALION PLA	<b>V</b> 1	
'A	PI Number		Pool Code 3Pool Name					2	
30-043-21	117			42289 LYBROOK GALLUP				ALLUP	
Property	Code		Property Name					'N	ell Number
38833			LYBR00K H36-2307						<b>0</b> 1H
OGAID I	<b>v</b> o.		*Operator Name						levat ion
28232	27		ENCANA OIL & GAS (USA) INC.						7265
<sup>10</sup> Surface Location									
UL or lot no	Section	Township	Renge	Let Joh	Feet from the	Horth/South line	Feet from the	East/Nest lane	County
				l	4550	LIGHTLI			10

320.0 Acres - (N/2)		<sup>19</sup> Jeint or Infill	M Consolidation Code	<sup>15</sup> Order No.						
ut or lot re.	Section 36	23N	Renge 7W	Let Idn	feet from the 1550	NORTH	Feet from the 330	East/Nest 15ne WEST	SANDOVAL	
	11 Bottom Hole Location If Different From Surface									
Н	36	23N	7W		1550	NORTH	280	EAST	SANDOVAL	
W 0 20.10		·					7000 1100 1100		1	

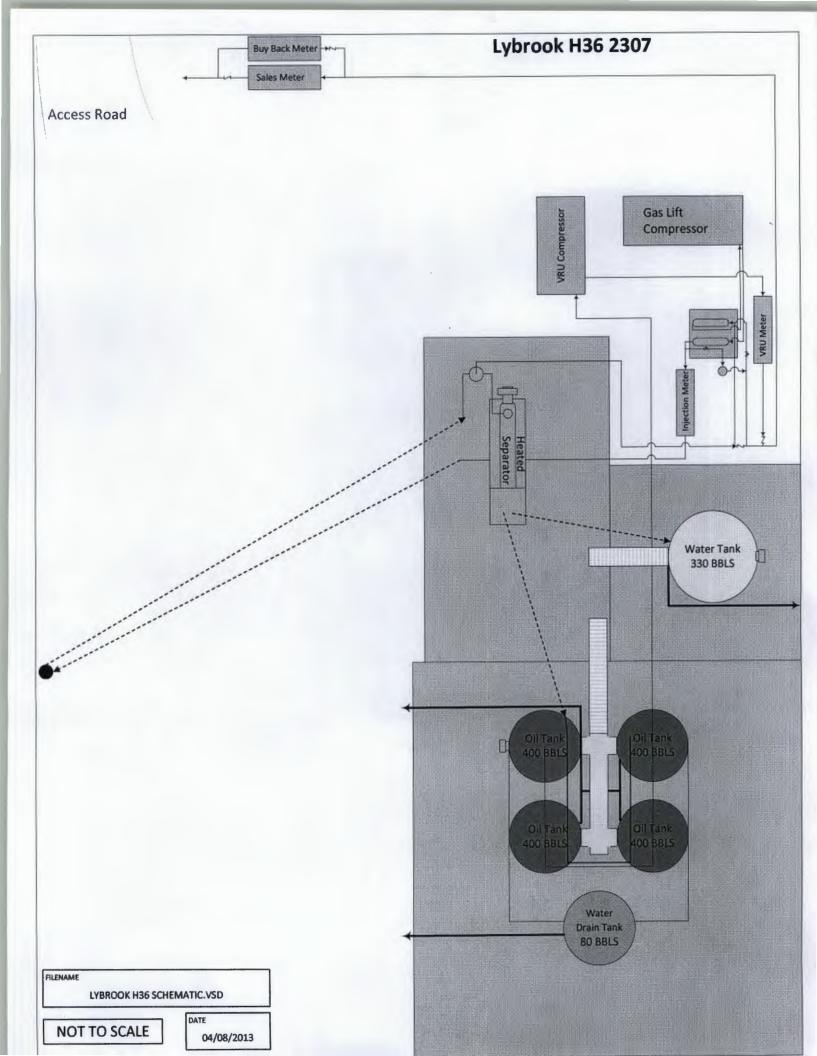
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



N89 133 22 W 2629.52 (MEASURED)

The Lybrook H36-2307 01H will have two additional gas meters installed for use with the gas lift system. The typical sales gas meter continues to be used for the same functionality as if the well did not have gas lift. The additional meters are a buy back meter and an injection (for information purposes only) meter.

The buy back meter is used to meter any gas that is brought back from the Lybrook Trunk Pipeline for kickoff and re-start purposes only. This meter will be installed parallel to the sales meter with check valves preventing back flow through either meter. The buy back volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no buy back gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and buy back meter are combined to determine the net sales volume.



District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First Street, Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

### State of New Mexico Energy, Minerals & Natural Resources Department

# OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe. NM 87505

Form C-102 Revised August 1, 2011

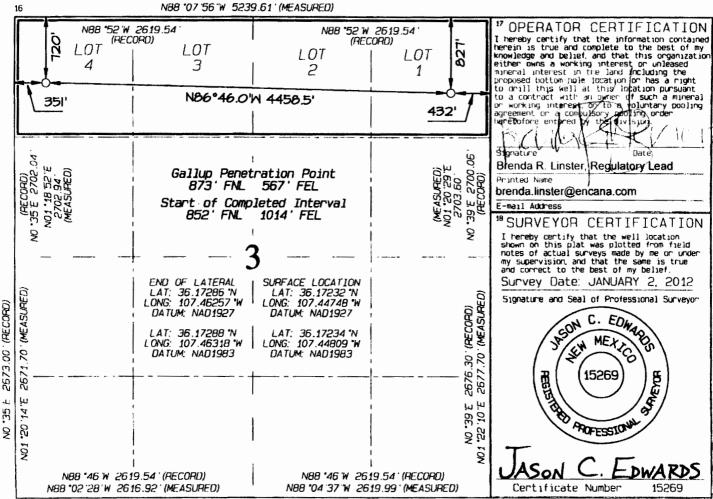
Submit one copy to Appropriate District Office

	AMENDED	REPORT
Ø	As-Drilled	

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

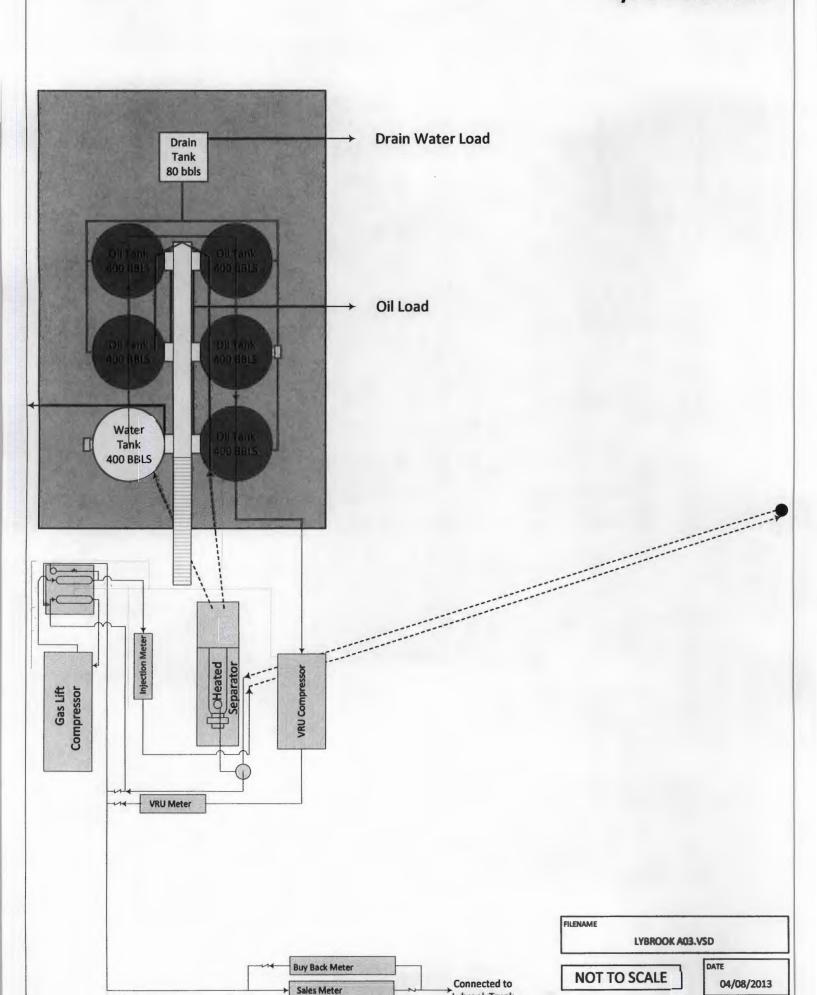
30-043-211	API Number 30	r	422	*Pool Coo 289		Lybrook Gallup	Pool Nam		
'Property	Code		2012-2014		Property	y Name			ell Number
39285					LYBROOK A	403-5506		İ	01H
'OGRID'	٧٥.				*Operator	Name	· · · · · · · · · · · · · · · · · · ·	•	Elevation
28232	?7			ENCA	NA OIL & (	GAS (USA) IN	С.		69891
					<sup>10</sup> Sunface	Location			The second section of the second second second second
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
А	3	S5N	6W		827	NORTH	432	EAST	SANDOVAL
	a Amazonia sensena e	A STATE OF THE STA	<sup>11</sup> Botto	m Hole	Location I	f Different	From Surfac	6	TO AMERICAN THE PROPERTY OF SEMESTAL AND THE REAL PROPERTY.
U. cr lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	55N	6W		720	NORTH	351	WEST	SANDOVAL
Dedicated Acres		Acres	- (N/a	2 N/2)	13 Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.		

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



The Lybrook A03-2206 01H will have two additional gas meters installed for use with the gas lift system. The typical sales gas meter continues to be used for the same functionality as if the well did not have gas lift. The additional meters are a buy back meter and an injection (for information purposes only) meter.

The buy back meter is used to meter any gas that is brought back from the Lybrook Trunk Pipeline for kickoff and re-start purposes only. This meter will be installed parallel to the sales meter with check valves preventing back flow through either meter. The buy back volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no buy back gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and buy back meter are combined to determine the net sales volume.



District I 1625 N. French Drive, Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 811 S. First Street, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Drive, 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 Drive Santa Fe. NM 87505

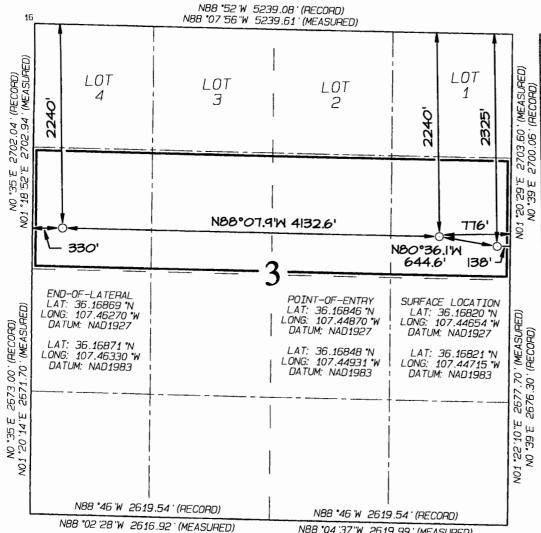
AMENDED REPORT

MELL	LOCATION	A NID	ACREAGE	DEDICATION	PI AT
$W \vdash 1 \downarrow 1$	1 1 11 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	$\Delta I \times I$	ALDI ADI		1

'API Number	Pool Code	³Pool Name	
		WILDCAT (GALL)	JP)
¹Property Code		Doperty Name OK H03-2206	Well Number 01H
'0GRID No. 282327		perator Name & GAS (USA) INC.	°Elevation 7052'
	10.0	ince I contion	

					<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	
Н	3	22N	6W		2325	NORTH	138	EAST	SANDOVAL	
	<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	
Е	3	22N	6W		2240	NORTH	330	WEST	SANDOVAL	
12 Dedicated Acres					13 Joint or Infill	<sup>14</sup> Consolidation Code	15 Order No.			
		Acres	- (S/2	N/2)						

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



OPERATOR CERTIFICATION "OPERATOR CERTIFICATION
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.

Signature
Holly Hill Holly Hill

Printed Name holly.hill@encana

E-mail Address

"SURVEYOR CERTIFICATION 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. Date Revised: FEBRUARY 20, 2013 Date of Survey: APRIL 20, 2012

Signature and Seal of Professional Surveyor



15269 Certificate Number

N88 '04'37"W 2619.99' (MEASURED)

The Lybrook H03-2206 01H will have two additional gas meters installed for use with the gas lift system. The typical sales gas meter continues to be used for the same functionality as if the well did not have gas lift. The additional meters are a buy back meter and an injection (for information purposes only) meter.

The buy back meter is used to meter any gas that is brought back from the Lybrook Trunk Pipeline for kickoff and re-start purposes only. This meter will be installed parallel to the sales meter with check valves preventing back flow through either meter. The buy back volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no buy back gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and buy back meter are combined to determine the net sales volume.

# Lybrook H03 2206 **Drain Water Load** Drain Tank 80 bbls Off tank 400 BBL5 Oil Load Oil tank 1 400 BBLS 01 Tank 400 BBIS Water Tank 400 BBLS Gas Lift Compressor VRU Meter FILENAME LYBROOK HUS.VSD DATE Buy Suck Meter **NOT TO SCALE** 04/08/2013 Connected to Sales Meter Lybrook Trunk

District I 1625 N. French Drive, Hobbs, NM 88240 Phone (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First Street, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 S. St. Francis Orive, Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

> 160.00 Acres N/2 N/2 - Section 21

#### State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 1, 2011

Submit one copy to Appropriate District Office

X AMENDED REPORT

### OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe. NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

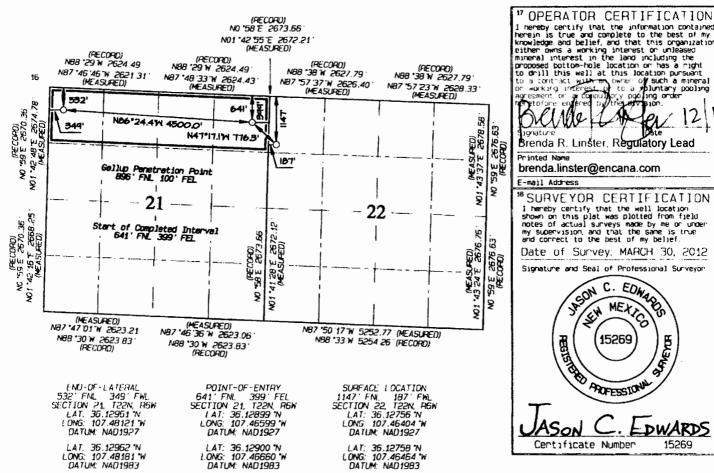
30-043-211	PI Number 31	•	979	*Pool Cod 981	POOI Name WILDCAT (GALLUP)					
<sup>4</sup> Phopenty 39433	Property Code Property Name 9433 L.YBROOK D22-2206								*Well Number 01H	
*Operator Name 282327 ENCANA DIL & GAS (USA) INC.							*Elevation 7187			
					<sup>10</sup> Sunface	Location			gar andress reference de el de la citale e la citale e de la del de de de de la citale e la citale e de de del	
UL or lot no.	Sect 101	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
0	55	22N	6W		1147	NORTH	187	WEST	SANDOVAL	
	frankrikerender sikkelende viewe kwad	1	1 Botto	m Hole	Location I	f Different F	rom Surfac	е		
UL on lot no.	Section	Township	Range	Lot Joh	Feet from the	North/South line	Feet from the	East/Mest line	County	
D	21	22N	5W		532	NORTH	349	WEST	SANDOVAL	

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

Consolidation Code

15 Onder No

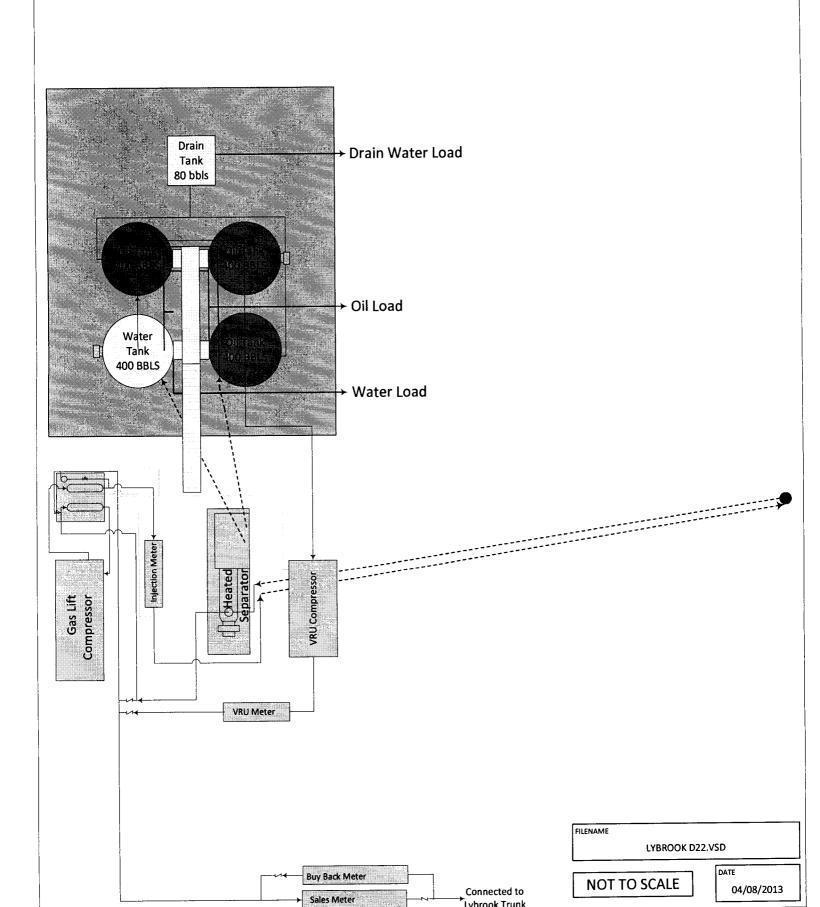
13 Joint or Infill



"UPERATUR CEMITETATION
I hereby centify 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 night
to drill this well at this location pursuant
to a contract with me, owner of such a mineral
on working interest, or to a polintary pooling
agreement or a compulsory pooling order
repretorane engineed by the advance. Brenda R. Linster, Regulatory Lead brenda.linster@encana.com E-mail Address 18 SURVEYOR CERTIFICATION 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. Date of Survey: MARCH 30, 2012 Signature and Seal of Professional Surveyor C. EDWARDS JASON MEXICO SEM PER STORESSION SAME TOTAL Centificate Number 15269

The Lybrook D22-2206 01H will have two additional gas meters installed for use with the gas lift system. The typical sales gas meter continues to be used for the same functionality as if the well did not have gas lift. The additional meters are a buy back meter and an injection (for information purposes only) meter.

The buy back meter is used to meter any gas that is brought back from the Lybrook Trunk Pipeline for kickoff and re-start purposes only. This meter will be installed parallel to the sales meter with check valves preventing back flow through either meter. The buy back volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no buy back gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and buy back meter are combined to determine the net sales volume.



District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720 I
District II
811 S. First Street, Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Drive, Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department

Revised August 1, 2011

Form C-102

Submit one copy to Appropriate District Office

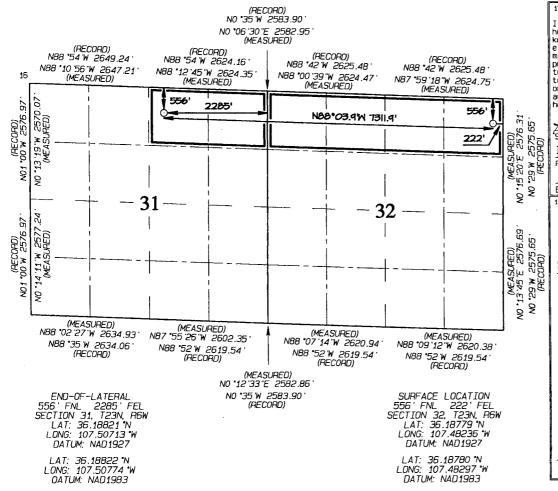
### OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Α,	'API Number					³Pool Name LYBROOK GALLUP				
<sup>1</sup> Property	Code				*Property	Name			<sup>6</sup> Well Number	
						OK A32-2306 01H			01H	
OGRID N	٧٥.				°Operator	Name	·		°E:	levation
28232	282327 ENCA					SAS (USA) IN(	C.	ļ		7203'
L	<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West	line	County
Α	32	23N	БW		556	NORTH	555	EAS	T	SANDOVAL
<u> </u>		1	<sup>1</sup> Botto	m Hole	Location I	f Different	From Surfac	e		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	line	County
В	31	23N	6W		556	NORTH	2285 EAST SANDOVAL			
240 Acres N/2 N/2 - Section 32 240 Acres N/2 NE/4 - Section 31					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.			

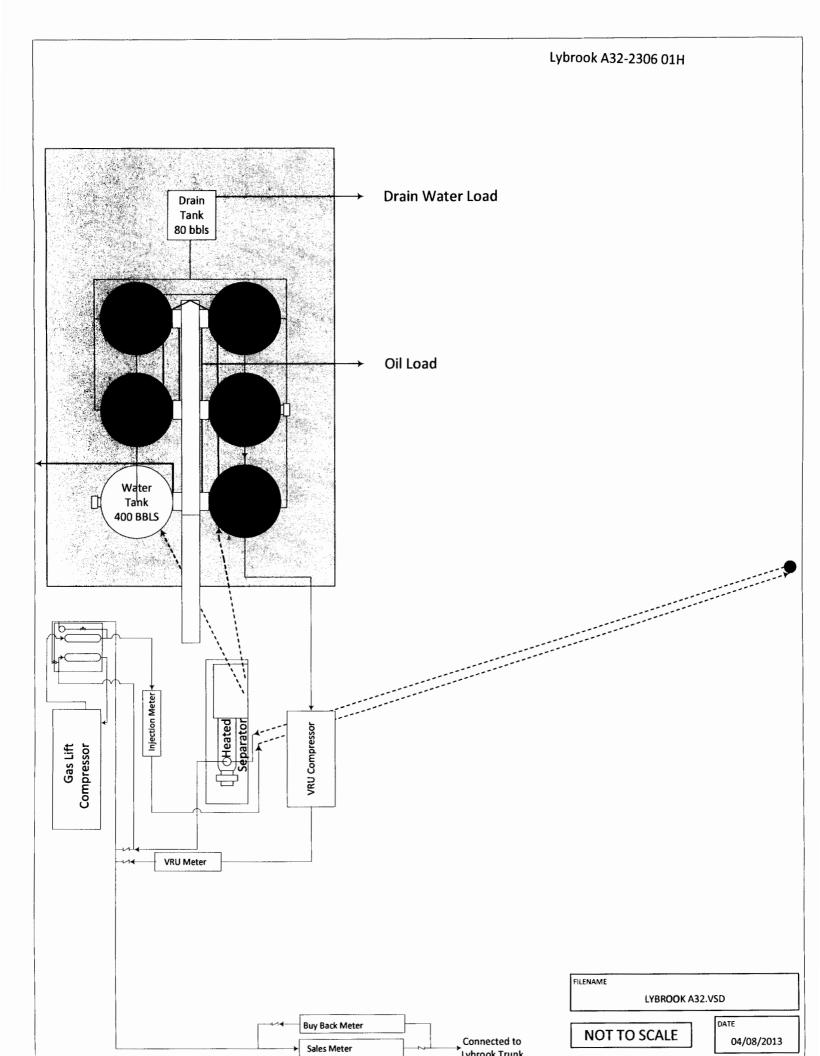
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION "OPERATUR CERTIFICATION
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. HOLLY Signature <u>4//10/13</u> Date Holly Hill holly.hill@encana.com E-mail Address 18 SURVEYOR CERTIFICATION 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. Survey Date: DECEMBER 31, 2011 Signature and Seal of Professional Surveyor EDWARDS JASON MEXICO ZEW REGISTER SAMETOR 15269 AROFESSIONAL 15269 Certificate Number

The Lybrook A32-2306 01H will have two additional gas meters installed for use with the gas lift system. The typical sales gas meter continues to be used for the same functionality as if the well did not have gas lift. The additional meters are a buy back meter and an injection (for information purposes only) meter.

The buy back meter is used to meter any gas that is brought back from the Lybrook Trunk Pipeline for kickoff and re-start purposes only. This meter will be installed parallel to the sales meter with check valves preventing back flow through either meter. The buy back volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no buy back gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and buy back meter are combined to determine the net sales volume.



District I 1625 N. French Orive, Hobbs, NM 88240 Phone (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First Street, Antesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Onive, Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3452

#### State of New Mexico Energy, Minerals & Natural Resources Department

Santa Fe, NM 87505

Form C-102 Revised August 1, 2011

Submit one copy to

Appropriate District Office OIL CONSERVATION DIVISION 1220 South St. Francis Drive

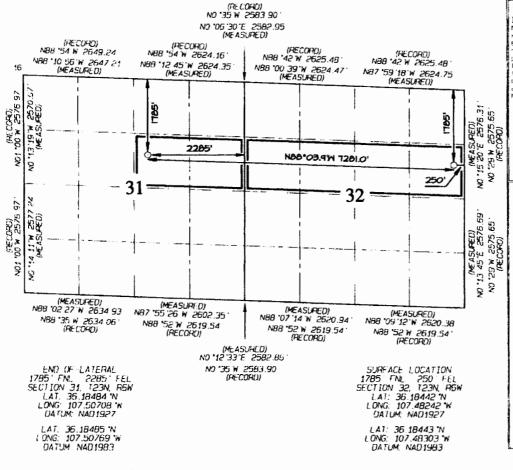
AMENDED	REPORT

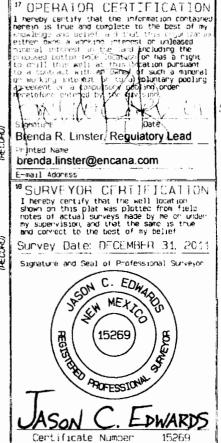
WELL LOCATION AND ACREAGE DEDICATION PLAT

		NOT TOTAL ELECTION TOTAL EXT				
'API Number	r Pool Code	¹Pool Name	The second secon			
	42289	LYBROOK GALLUP				
*Property Code		perty Name DK H32-2306	Well Number			
70GRID No. 282327	•	rator Name & GAS (USA) INC.	*Elevation 7 196			

Ben 1800000 1 118050	The second secon				<sup>10</sup> Surface	Location		1 500 GAL C VICTOR GOODEN		
JL or lot rei	Section	Township	Hange	Lat Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Н	32	23N	6W		1785	NORTH	250	EAST	SANDOVAL	
	<sup>11</sup> Bottom Hole Location If Different From Surface									
ut or lot no	Section	Township	Hanga	Lot Idn	Feet from the	North/South line	Feet from the	Fact/West line	County	
G	31	23N	6W		1785	NORTH	2285	EAST	SANDOVAL	
240 Acres	3/1	5 N/5 -		UN 32	"Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No			
CHO ACIR	5/2	NE/4	Sect	ion 31						

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





The Lybrook H32-2306 01H will have two additional gas meters installed for use with the gas lift system. The typical sales gas meter continues to be used for the same functionality as if the well did not have gas lift. The additional meters are a buy back meter and an injection (for information purposes only) meter.

The buy back meter is used to meter any gas that is brought back from the Lybrook Trunk Pipeline for kickoff and re-start purposes only. This meter will be installed parallel to the sales meter with check valves preventing back flow through either meter. The buy back volume is expected to be minimal on a monthly basis. Once the well is producing excess gas from what is being circulated, the gas is sold and no buy back gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and buy back meter are combined to determine the net sales volume.

District I 1625 N. French Drive, Hobbs, NM 88240 Phone: (575) 393–6161 Fax: (575) 393–0720 District II 811 S. First Street, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Drive, 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 Drive Santa Fe. NM 87505

AMENDED	REPORT

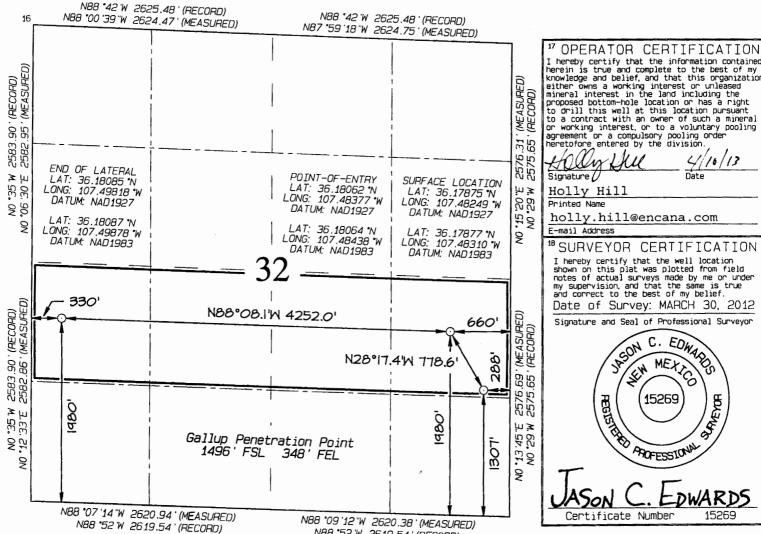
WELL LOCATION AND ACREAGE DEDICATION PLAT

Α,	API Numbe	٢		*Pool Cod	е	³Pool Name					
				42289			LYBROOK GA	ALLUP			
<sup>1</sup> Property	Code				Proper	Property Name *Well Numb				11 Number	
					LYBROOK	I32-2306				01H	
OGRID N	No.	*Operator Name							*Elevation		
28232	27			ENCA	3 JIO AV	GAS (USA) INC				7101	
	<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	
T	30	22/1	EM		1207	7 COUTH SOD EAST SANDO					

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	32	23N	6W		1307	SOUTH	288	EAST	SANDOVAL
			<sup>1</sup> Botto	m Hole	Location I	f Different F	rom Surfac	е	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	32	23N	6W		1980	SOUTH	330	WEST	SANDOVAL
12 Dedicated Acres		Acres	- (N/2	5/2)	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.		
						1			

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

N88 \*52 W 2619.54 (RECORD)



Thereby 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.

4/10/13

Date

holly.hill@encana.com

18 SURVEYOR CERTIFICATION

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.

Signature and Seal of Professional Surveyor



Certificate Number 15269 District I 1625 N. French Drive, Hobbs. NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First Street, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Drive, Santa Fe. NM B7505 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

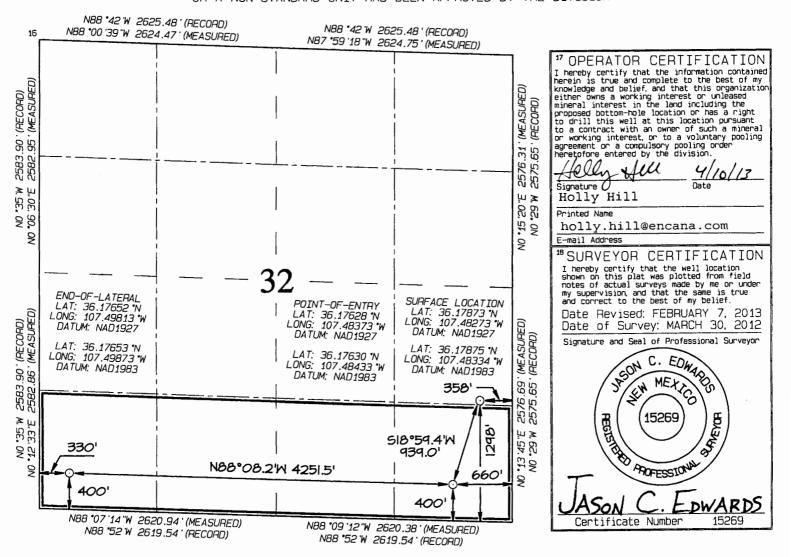
# OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number			*Pool Code *Pool Name 42289 LYBROOK GALLUP							
*Property Code				*Property Name LYBROOK I32-2306					Well Number 02H	
OGRID No. 282327 ENCA			ENCAI	*Operator Name NA OIL & GAS (USA) INC.			• [	*Elevation 7103		
<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	
I	32	23N	6W		1298	SOUTH	358	EAST	SANDOVAL	
	<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	
М	32	23N	6W		400	SOUTH	330	WEST	SANDOVAL	
<sup>12</sup> Dedicated Acres 160.0 Acres - (S/2 S/2)				13 Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order Na.				

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

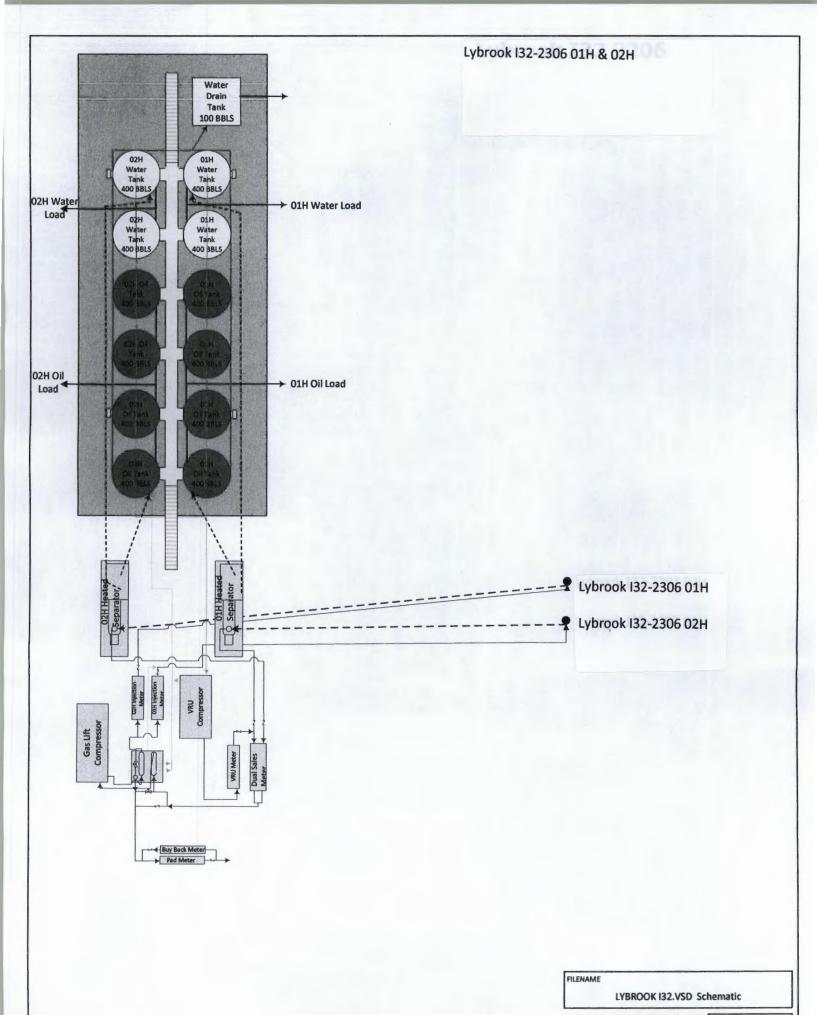


Outlined below is an overview of the additional metering that will be installed on the Lybrook I32 2306 well pad location due to the wells having gas lift installed on them. As this is a two well pad, additional meters will be installed for allocation purposes.

In order to minimize surface equipment on the pad, a common gas lift compressor will be utilized for the two Lybrook I32 wells. This setup calls for additional metering compared to a single well gas lift system where the compressor is setup to pull and discharge gas upstream of the wellpad meter. With a multi well system, the gas from each well is measured prior to going to the gas lift compressor. The compressed gas is either injected or sent to the custody transfer meter. The injected gas for each well is individually metered with an injection meter. In order to get the produced gas from each well, the injection metered volume is subtracted from the wellhead metered volume. An additional pad sales and buy back meter will be installed to ensure allocations from the Lybrook Trunk Pipeline are correct.

For initial kick off, gas from the Lybrook Trunk Pipeline will go through a buy back meter to the Lybrook I32 pad to allow for initiation of production from the wells. The buy back meter is used to meter any gas that is moved from the Lybrook Trunk Pipeline for kickoff and start up purposes only. This meter is installed in parallel to the sales meter and with the use of check valves, flow can only occur in one meter at a time. The buy back volume is expected to be minimal on a monthly basis. Once the wells are producing excess gas from what is being circulated, the gas will be sold and no buy back gas will be required. At the end of the month, the sales meter and buy back meter are combined to determine the net sales volume.

Finally, the Lybrook H26 pad will be equipped with a VRU (vapor recovery unit). The VRU consists of an additional compressor and is gathering any vapors that are released off the tanks. The discharge of the VRU will be tied in upstream of the wellhead meter so the volume will be captured there. Initially, Encana will install an additional VRU meter for information purposes to help aid in equipment and modeling sizing and economics for future installations.



NOT TO SCALE

DATE

04/01/2013

	Section of the last

ENDER: COMPLETE THIS SECTION  Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	A Signature  X Curtify Agent Addressee  B. Received by (Printed Name)  C. Date of Delivery
Article Addressed to:  Dugan Production Corputtn: Kurt Fagrelius 09 E. Murray Drive armington, New Mexico 87499-0420	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No  3. Service Type  Contified Mail Registered Return Repolipt for Marchandise
	Insured Mall C.O.D.  4. Restricted Delivery? (Extra Fee) Yes
Article Number (Transfer from service label)  S Form 3811, February 2004  Domestic Ret  ENDER: COMPLETE THIS SECTION  Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits.  Article Addressed to:  Abo Petroleum Corporation	A second
105 South 4 <sup>th</sup> Street Artesia, NM 88210	3. Service Type  Sight Certified Mail
Article Number 7011 3500	
'S Form 3811, February 2004 Domestic Reti	urn Receipt 102595-02-M-1540

ENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature  X
. Article Addressed to:	If YES, enter delivery address below:   No
Myco Industries Inc. 105 South 4 <sup>th</sup> Street Artesia, NM 88210	
·	3. Service Type    Contified Mail   Express Mail     Registered   Return Receipt for Merchandise     Insured Mail   C.O.D.
	4. Restricted Delivery? (Extra Fee) ☐ Yes
Article Number (Transfer from service label) 7011 350	0 0001 2196 0925
ENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 If Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece,	A. Signature  X  D/Agent  Addressee  B. Received by (Printed Name)  C. Date of Delivery
or on the front if space permits.  Article Addressed to:	D. Is delivery address different from item 1?  Yes  If YES, enter delivery address below:  No
Yates Petroleum Corporation 105 South 4 <sup>th</sup> Street Artesia, NM 88210	
	3. Service Type  12 Certified Mail  1 Registered  1 Insured Mail  1 C.O.D.
	4. Restricted Delivery? (Extra Fee)
Article Number 7011 3500 (Transfer from service label)	0001 5742 0888
S Form 3811, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION  Complete Items 1, 2, and 3. Also comitem 4 if Restricted Delivery is desired. Print your name and address on the most of the most of the this card to the back of the most or on the front if space permits.  Article Addressed to:  Bureau of Land Management 6251 College Blvd., Suite A	plete everse	A. Signature  X  A. Signature  B. Received by (Printed Name)  D. is delivery address different from item 1? Yes  If YES, enter delivery address below: No		
Farmington, NM 87402		3. Service Type  S. Certifled Mail		
Article Number     (Transfer from service label)  PC Form 3811 February 2004		3500 0001 2196 0901 c Return Receipt 102595-02-M-15-		

PS Form 3811, February 2004

SENDER: COMPLETE THIS SECT	ON	COMPLETE THIS SECTION ON DELIVERY			
<ul> <li>Complete items 1, 2, and 3. Also of item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the so that we can return the card to be attach this card to the back of the or on the front if space permits.</li> </ul>	lred. ne reverse /ou.	A. Signature    Agent   Addressee			
Article Addressed to:					
Synergy Operating LLC P.O. Box 5513 Farmington, NM 57449		MINGTON Z			
		3. Service Type Contified Mail Registered Insured Mail C.O.D.			
		4. Restricted Delivery? (Extra Fee) Yes			
Article Number     (Transfer from service label)	7011 35	00 <b>0001 514P 0</b> 435			
PS Form 3811, February 2004	Domestic Re	eturn Receipt 102595-02-M-1540			

.