

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

83

Application Acronyms:

- [NSL-Non-Standard Location]
 [NSP-Non-Standard Proration Unit]
 [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling]
 [CTB-Lease Commingling]
 [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling]
 [OLS - Off-Lease Storage]
 [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion]
 [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal]
 [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification]
 [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

2013 AUG 16 P 2:22
 RECEIVED OOD

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
Attachment No. 4 presents copies of notification to interest owners mailed Certified/ Return Receipt (RR). Upon receipt of RRs, copies will be sent to NMOCD.
- [F] Waivers are Attached

Encana
 Escrito E 13-2407 #1A
 30-039-31189

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Katie Wegner		Regulatory Analyst	8/13/13
Print or Type Name	Signature	Title	Date
		Katie.wegner@encana.com	
		e-mail Address	



August 14, 2013

Transmitted Via Certified Mail

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

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

**Re: Application for Off-Lease Measurement
Escrito E13-2407 01H
Section 13, Township 24 North – Range 7 West
Rio Arriba County, New Mexico**

2013 AUG 16 P 2:22
RECEIVED OOD

Dear Ms. Bailey and Mr. Evans:

Encana Oil & Gas (USA) Inc. (Encana) requests Administrative Approval for Off-Lease Measurement and Sale of natural produced gas from the Escrito E13-2407 01H well. Encana will operate the well, developing production from the N2 of Section 14, T24N R7W; New Mexico Federal Lease NM 117566 and State of New Mexico Lease SF 078584. Further, the well will produce from the Devils Fork Gallup (Associated) oil pool. There is no Indian acreage associated with the well.

Off-Lease Measurement of natural gas will occur in the SWSW of Section 13, T24N R7W where the pipeline ties into Enterprise Products Partners' (Enterprise) central delivery point, gas custody transfer meter (CDP). Further, Encana intends to install a gas lift compressor on the well as depicted and described on Attachment No 5, Pages 3 and 4. Please note, Encana intends to submit to the Bureau of Land Management (BLM) a sundry to formally request approval to install the gas lift on the well, which, once approved, will be forwarded on to the New Mexico Oil Conservation Division for their approval. There will not be any commingling of oil or condensate with naturally produced gas in the pipeline.

Enclosed please find the following:

A. Administrative Application Checklist for Off-Lease Measurement dated August 13, 2013.

B. State of New Mexico Oil Conservation Division Form C-107-B, Application for Off-Lease Measurement dated August 13, 2013. Attached to and made part of the Application for Off-Lease Measurement please find the following:

Attachment No. 1: Presents the lease and pool information for the well.

Attachment No. 2: Presents a plat depicting the Off-Lease Measurement for natural gas at the CDP, tying into Enterprise's CDP custody transfer meter in the SWSW of Section 13, T24N R7W where the 5,850-foot long pipeline will be installed, leading back to the Escrito E13-2407 01H well pad SHL. Please note that Encana applied for BLM approval for the pipeline right-of-way on March 28, 2013 (NMNM 130251). Encana will supply the meter number of the CDP to the BLM once the pipeline has been installed and interconnected into

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202 720.876.3533 (O) 303.482.6819 (C) katie.wegner@encana.com



Enterprise's pipeline. The 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**.

Attachment No. 2(a): Presents the Escrito E13-2407 01H well dedication acreage as depicted on the NMOCD Form C-102.

Attachment No. 3: Presents a leasehold ownership summary for the well. Encana and T.H. McElvain Oil & Gas LLP (McElvain) are the only working interest owners in the well. The royalty interest is Federal. There is no State, Fee or Indian Royalty. As required by the NMOCD all interest owners have been given notice of this application.

Attachment No. 4: Presents a copy of the notice sent to the interest owners. All notice letters have been mailed certified, return receipt. Upon receiving the return receipts, copies will be forwarded to the NMOCD. Also included, is a copy of the legal notice to be published in The Daily Times, Farmington, New Mexico on August 18th in order to provide public notice to any and all affected interest owners.

Attachment No. 5: Presents the allocation procedures for the Off-Lease Measurement of natural produced gas. Additionally, included is a gas lift well pad schematic and description for the proposed well pad facility layout.

In conclusion, Encana is requesting Administrative Approval for Off-Lease Measurement and Sale of natural produced gas, which will tie into Enterprise Production's CDP in the SWSW of Section 13, T24N R7W.

Please do not hesitate to contact me directly at 720-876-3533 with any questions or concerns.

Encana Oil & Gas (USA) Inc.

A handwritten signature in black ink, appearing to read "Katie Wegner", written in a cursive style.

Katie Wegner
Regulatory Analyst

Enc.

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202 720.876.3533 (O) 303.482.6819 (C) katie.wegner@encana.com

District I
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

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.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Encana Oil & Gas (USA) Inc.

OPERATOR ADDRESS: 370 17th Street, Suite 1700, Denver, CO 80202

APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No 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
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

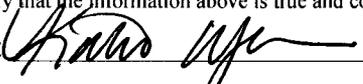
(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(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 INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. See Attachment No. 2 and Attachment No. 5
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attachment No.2
(3) Lease Names, Lease and Well Numbers, and API Numbers. See Attachment No. 1

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Regulatory Analyst DATE: _____

TYPE OR PRINT NAME: Katie Wegner TELEPHONE NO.: 720-876-3533

E-MAIL ADDRESS: katie.wegner@encana.com

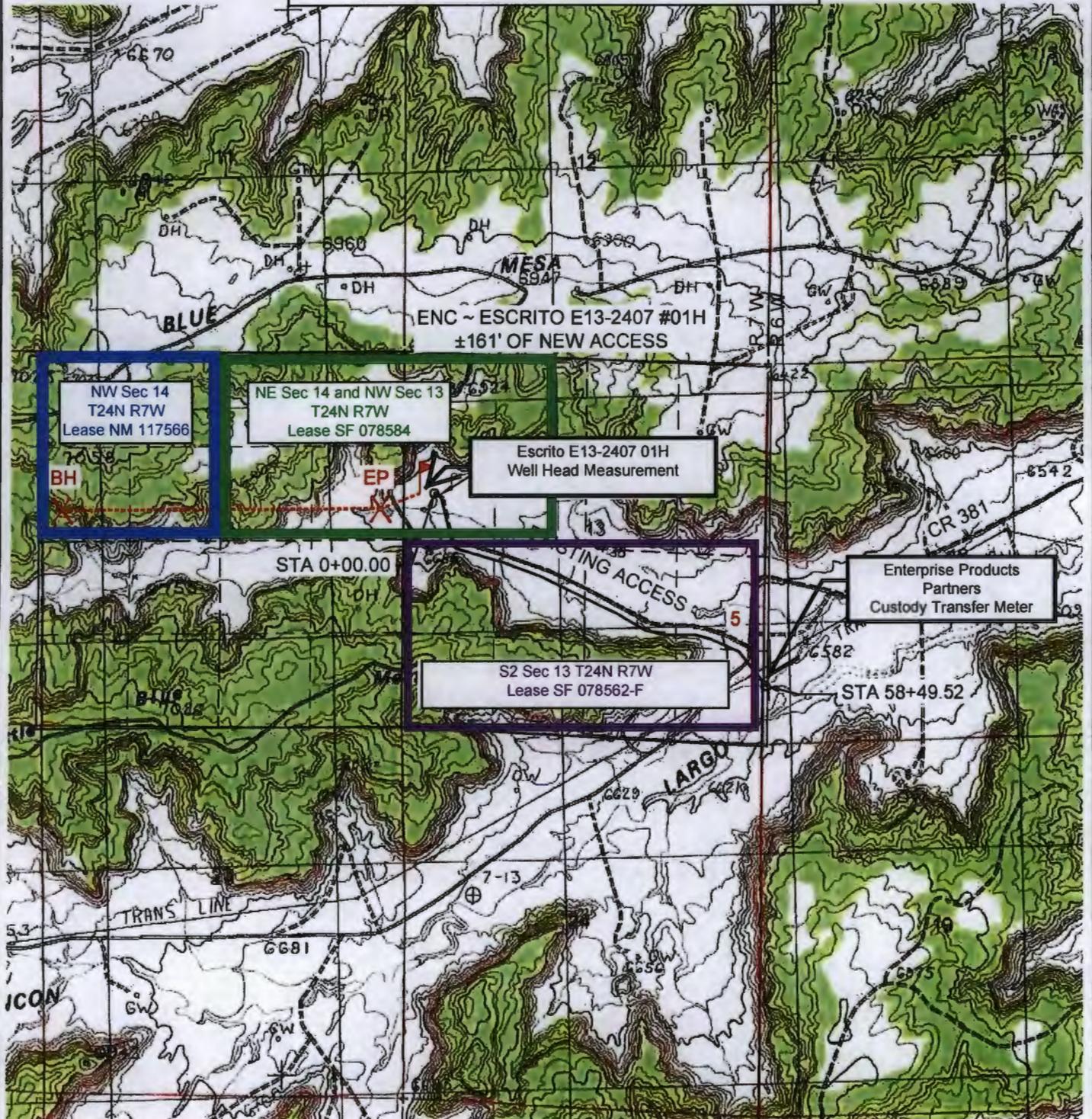
Attachment No. 1
 Encana Oil Gas (USA) Inc.
 Escrito E13-2407 01H
 Off-Lease Measurement Application
 Well Pad Measurement: SWNW Sec 13 T24N R7W
 Project Area: N2 Section 14 T24N R7W
 Rio Arriba County, New Mexico

Well Name	API No.	Well Location UL-Sec-Twn-Rng	Project Area	Pool	Lease Nos.	Lease Type	Completion Date	Well Status
Escrito E13-2407 01H	30-039-31189	E-SWNW-14-24N-7W	N2 Sec 14 24N 7W (320 acres)	Devils Fork Gallup Associated Pool (17610) *	NMSF 078584 & NMNM 117566	FED	Pending	BLM Approval to Drill

*Pursuant to NMAC 19.15.15.13.C Encana will file to the NMOCD for an administrative approval in order to reduce the setbacks for the project area for the Escrito E14-2407 01H well in the Devils Fork Gallup Associated Pool (Pool Code No. 17610).

LATITUDE: 36.314731° N
LONGITUDE: 107.535693° W
DATUM: NAD 83

Attachment No. 2
Encana Oil & Gas (USA) Inc.
Escrito E13-2407 01H
Off-Lease Measurement Application
Well Pad Measurement: SWNW Sec 13 T24N R7W
Project Area: N2 of Sec 14 T24N R7W
Rio Arriba County, New Mexico



U.S.G.S. QUAD: CROW MESA EAST
SCALE: 1" = 2000' (1:24,000)
JOB No.: ENC053_REV1
DATE: 4/26/13



Scorpion Survey & Consulting, L.L.C.
Aztec, New Mexico 87410
(505) 334-4007

DISTRICT I
1685 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 983-6161 Fax: (575) 983-0780

DISTRICT II
611 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1883 Fax: (575) 748-9780

DISTRICT III
1000 Rio Brazos Rd., Artesia, N.M. 87410
Phone: (505) 834-6178 Fax: (505) 334-6170

DISTRICT IV
1280 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-8468

Attachment No. 20
Encana Oil & Gas (USA) Inc.
Escrito E13-2407 01H
Off-Lease Measurement Application
Well Pad Measurement: SWNW Sec 13 T24N R7W
Project Area: N2 of Sec 14 T24N R7W
Rio Arriba County, New Mexico

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 17610	³ Pool Name DEVILS FORK GALLUP (ASSOCIATED)
⁴ Property Code	⁵ Property Name ESCRITO E13-2407	⁶ Well Number 01H
⁷ OGRID No. 282327	⁸ Operator Name ENCANA OIL & GAS (USA) INC.	⁹ Elevation 6689.9'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	24N	7W		1991'	NORTH	225'	WEST	RIO ARRIBA

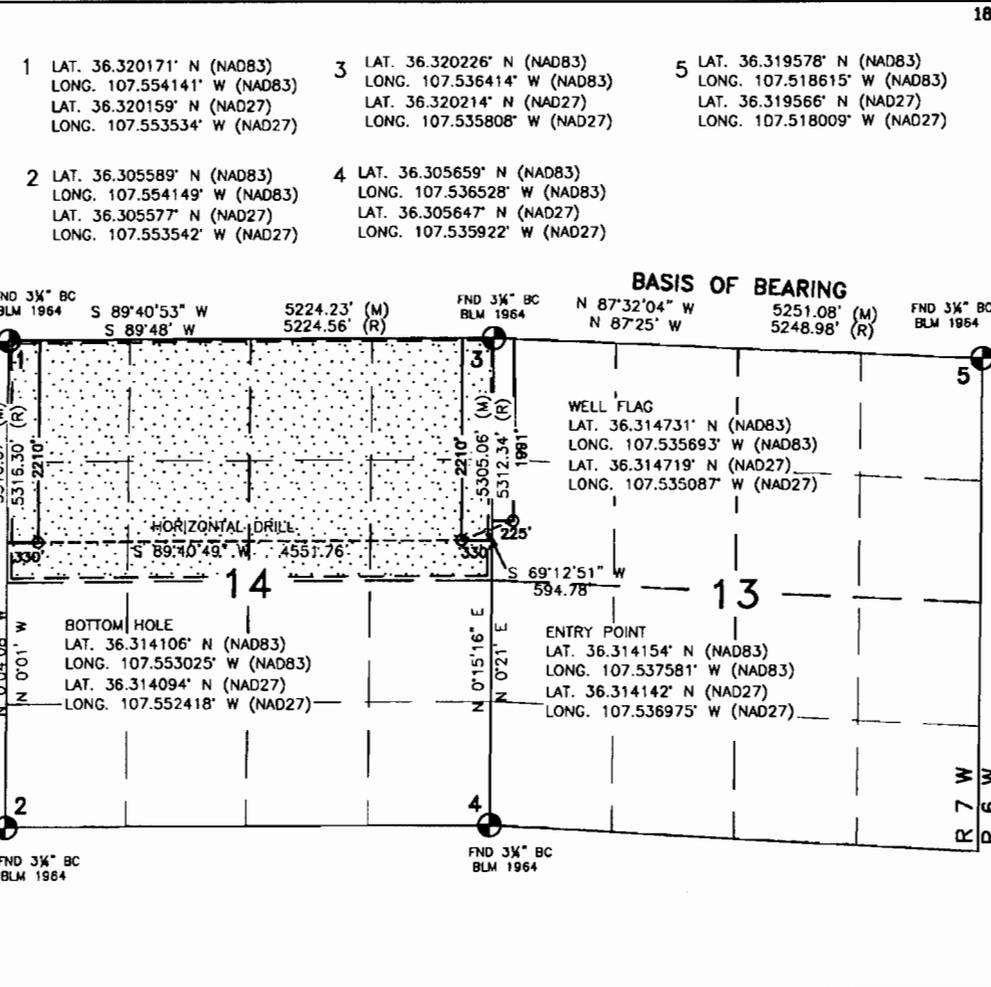
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	24N	7W		2210'	NORTH	330'	WEST	RIO ARRIBA

¹² Dedicated Acres 320.00 Ac. N/2 - SEC. 14	PROJECT AREA	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

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¹⁷ 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.

Katie Wegner 8/13/13
Signature Date

Katie Wegner
Printed Name

Katie.Wegner@encana.com
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.

FEBRUARY 12, 2013
Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell
REGISTERED PROFESSIONAL LAND SURVEYOR
NEW MEXICO
1020
DAVID RUSSELL
Certificate Number 10201

Attachment No. 3
Encana Oil Gas (USA) Inc.
Escrito E13-2407 01H
Off-Lease Measurement Application
Well Pad Measurement: SWNW Sec 13 T24N R7W
Project Area: N2 Section 14 T24N R7W
Rio Arriba County, New Mexico

Escrito E13-2407 01H
E-13-T24N-R7W
Project Area: N2 Section 14, T24N R7W (320 acres)
NMSF 078584 & NMNM 117566
Devils Fork Gallup Associated Pool

Interest Owner

<u>Working Interest</u>	<u>Gross</u>	<u>Net</u>
Encana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202	75.000%	60.000%
T.H. McElvain Oil & Gas LLLP 1050-17th Street, Suite 2500 Denver, CO 80265-1801	25.000%	21.219%
<u>Royalty Interest</u>		
United States of America	0.000%	12.500%
<u>Overriding Royalty Interest</u>		
T.H. McElvain Oil & Gas LLLP 1050-17th Street, Suite 2500 Denver, CO 80265-1801	0.000%	3.656%
J & M Raymond, Ltd. P.O Box 291445 Kerrville, TX 78029-1445	0.000%	0.984%
Tamacam, LLC P.O Box 291445 Kerrville, TX 78029-1445	0.000%	0.094%
Charles W. Gay P.O Box 291445 Kerrville, TX 78029-1445	0.000%	0.047%
Estate of W.R. Childers, deceased	0.000%	0.625%
Fay A. Dashko, deceased	0.000%	0.625%
Broom Family Limited Partnership P.O. Box 2148 Santa Fe, NM 87501	0.000%	0.250%
TOTAL	100.000%	100.000%

Attachment No. 4
Encana Oil & Gas (USA) Inc.
Escrito E13-2407 01H
Off-Lease Measurement Application
Well Pad Measurement: SWNW Sec 13 T24N R7W
Project Area: N2 of Sec 14 T24N R7W
Rio Aribba County, New Mexico

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 Escrito E13-2407 01H Off-Lease Measurement and Sales of natural produced gas.
- 2) Copies of Encana's letters, dated August 13, 2013, used to send copies of the subject application to the leasehold interest owners for the Escrito E13-2407 01H. The letters were transmitted via certified mail/return receipt. Upon receiving receipts, a copy will be sent to NMOCD.
- 3) All royalty interest is BLM. Since 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 BLM was transmitted via certified mail/return receipt. Upon receiving receipts, a copy will be sent to NMOCD.
- 4) A copy of Encana's request to publish a Legal Ad in The Daily Times, Farmington, New Mexico in the August 18th, 2013 publication, to adequately notice any interest owners.

Attachment No. 4
Encana Oil & Gas (USA) Inc.
Escrito E13-2407 01H
Off-Lease Measurement Application
Well Pad Measurement: SWNW Sec 13 T24N R7W
Project Area: N2 of Sec 14 T24N R7W
Rio Arriba County, New Mexico

Working Interest Owners:

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

T.H. McElvain Oil & Gas LLLP
1050-17th Street, Suite 2500
Denver, CO 80265-1801

Royalty Interest Owner:

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

Overriding Royalty Interest:

T.H. McElvain Oil & Gas LLLP
1050-17th Street, Suite 2500
Denver, CO 80265-1801

J & M Raymond, Ltd.
P.O Box 291445
Kerrville, TX 78029-1445

Tamacam, LLC
P.O Box 291445
Kerrville, TX 78029-1445

Charles W. Gay
P.O Box 291445
Kerrville, TX 78029-1445

Estate of W.R. Childers, deceased

Fay A. Dashko, deceased

Broom Family Limited Partnership
P.O. Box 2148
Santa Fe, NM 87501

Attachment No. 4
Encana Oil & Gas (USA) Inc.
Escrito E13-2407 01H
Off-Lease Measurement Application
Well Pad Measurement: SWNW Sec 13 T24N R7W
Project Area: N2 of Sec 14 T24N R7W
Rio Arriba County, New Mexico



August 2, 2013

[INSERT INTEREST OWNER INFORMATION]

**Re: Off-Lease Measurement Application
Escrito E13-2407 01H
SWNW Section 13, T24N R7W
Rio Arriba County, NM**

Dear Owner:

Encana Oil & Gas (USA) Inc.'s (Encana) is seeking administrative approval from the New Mexico Oil Conservation Division (NMOCD) for an Application for Off-Lease Measurement and Sale of produced natural gas from the Well. Encana will operate, producing from the N2 of Section 14, T24N R7W; New Mexico Federal Leases NMSF 078584, NMSF 078484A and NMNM 117566.

Off-Lease Measurement of natural gas will occur in the SWSW of Section 13, T24N R7W at the pipeline tie-in to Enterprise Products Partners' central delivery point, gas custody transfer meter. The Well will be equipped with gas measurement equipment for allocation purposes.

This matter does not require any action on your part. Current NMOCD Regulations require that all affected interest owners receive notice of proposed Off-Lease Measurement. Should you have any questions, concerns or need additional information please contact me at your earliest convenience at 720-876-5965 and/or billy.mccool@encana.com.

Should you have any objections to our application, please contact the undersigned; you should also contact the NMOCD directly with your objections within twenty (20) days from the date the NMOCD receives our application. The mailing address for the NMOCD is 1220 St. Francis Drive, Santa Fe, New Mexico 87505. We would appreciate a copy of your objection.

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

B. Wade McCool
Land Negotiator
720.876.5965 (O)
email: billy.mccool@encana.com

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202

Attachment No. 4
Encana Oil & Gas (USA) Inc.
Escrito E13-2407 01H
Off-Lease Measurement Application
Well Pad Measurement: SWNW Sec 13 T24N R7W
Project Area: N2 of Sec 14 T24N R7W
Rio Arriba County, New Mexico



August 14, 2013

Transmitted Via Email: legals@daily-times.com

Ms. Carletta Dodge, Legal Clerk
The Daiy Times
201 N. Allen
Farmington, New Mexico 87401

**Re: Legal Ad Placement Request
Sunday, August 18th 2013 Publication**
Application for Escrito E13-2407 01H Off-Lease Measurement Application
Rio Arriba County, New Mexico

Dear Ms. Dodge:

Encana Oil & Gas (USA) Inc. (Encana) respectfully requests The Daily Times place the following notice in the Legal Ads section for the August 18th 2013 publication. Once the ad has run, please send Affidavit of Publication to the undersigned.

Encana Oil & Gas (USA) Inc. (Encana) is seeking administrative approval from the New Mexico Oil Conservation Division (NMOCD) for Off-Lease Measurement and Sale of produced natural gas from the Escrito E13-2407 01H well. This well will be operated by Encana. Encana has applied for the necessary rights-of-way to install the Escrito L13-2410 pipeline, which will tie into Enterprise Products Partners' (Enterprise) central delivery point in the SWSW of Section 13, T24N, R7W. There will not be any commingling of oil or condensate..

The Escrito E13-2407 01H will be completed with a 320 acre project area comprising of the N2 of Section 14, T24N, R7W and will develop minerals from federal leases NM-117566 and SF-078584.

Off-Lease Measurement and Sale of produced natural gas is applicable to the Escrito L13-2407 01H well, which tie into the Enterprise Products Partners' (Enterprise) pipeline. Off-Lease Measurement of natural gas will occur at the the pipeline tie-in to Enterprise's central delivery point, gas custody transfer meter in the SWSW of Section 13, T24N, R7W.

Any person holding an interest in Federal Leases NM-117566 and/or SF-078584 may contact Encana for additional information (Attn: Wade McCool, 720-876-5965; 370 17th Street, Suite 1700, Denver CO 80202; wade.mccool@encana.com). Any objection or request for a formal hearing should be filed in writing with the NMOCD's Santa Fe Office (1220 South St. Francis Drive, Santa Fe, NM 87505) within 20 days from the date of this publication. In the absence of objections, Encana is requesting that the NMOCD approve the application administratively.

Encana Oil & Gas (USA) Inc.

Katie Wegner
Regulatory Analyst

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700, Denver Colorado 80202 720.876.3533 (O) 303.482.6819 (C) katie.wegner@encana.com

SENDER: 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.

Attachment No. 4
 Encana Oil & Gas (USA) Inc.
 Escrito E13-2407 01H
 Off-Lease Measurement Application
 Well Pad Measurement: SWNW Sec 13 T24N R7W
 Project Area: N2 of Sec 14 T24N R8W
 Rio Arriba County, New Mexico

COMPLETE THIS SECTION ON DELIVERY

- Agent
 Addressee

C. Date of Delivery

1. Article Addressed to:

T.H. McElvain Oil & Gas, LLLP
 Attention: Land Manager
 1050 17th Street, Suite 2500
 Denver, CO 80265

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes2. Article Number
(Transfer from service label)

7012 3460 0000 6617 0030

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: 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.

1. Article Addressed to:

J & M Raymond, Ltd.
 P.O Box 291445
 Kerrville, TX 78029-1445

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes2. Article Number
(Transfer from service label)

7012 3460 0000 6617 0047

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: 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.

1. Article Addressed to:

Tamacam, LLC
 P.O Box 291445
 Kerrville, TX 78029-1445

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes2. Article Number
(Transfer from service label)

7012 3460 0000 6617 0054

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION		Attachment No. 4		ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3 and item 4 if Restricted Delivery is desired. Print your name and 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. 		Encana Oil & Gas (USA) Inc. Escrito E13-2407 01H Off-Lease Measurement Application Well Pad Measurement: SWNW Sec 13 T24N R7W Project Area: N2 of Sec 14 T24N R8W Rio Arriba County, New Mexico		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee C. Date of Delivery	
1. Article Addressed to:		D. Is delivery address different from item 1? <input type="checkbox"/> Yes		If YES, enter delivery address below: <input type="checkbox"/> No	
Charles W. Gay P.O. Box 291445 Kerrville, TX 78029-1445		3. Service Type			
		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail		<input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee)		<input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		7012 3460 0000 6617 0061			
PS Form 3811, February 2004		Domestic Return Receipt		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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 <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name)	
Broom Family Limited Partnership P.O. Box 2148 Santa Fe, NM 87501		C. Date of Delivery	
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes	
		If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type	
		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail	
		<input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee)	
		<input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		7012 3460 0000 6617 0078	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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 <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
1. Article Addressed to:		B. Received by (Printed Name)	
Ms. Jami Bailey New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505		C. Date of Delivery	
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes	
		If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type	
		<input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail	
		<input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (Extra Fee)	
		<input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		7012 3460 0000 6617 0085	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

Attachment No. 4
 Encana Oil & Gas (USA) Inc.
 Escrito E13-2407 01H
 Off-Lease Measurement Application
 Well Pad Measurement: SWNW Sec 13 T24N R7W
 Project Area: N2 of Sec 14 T24N R8W
 Rio Arriba County, New Mexico

SENDER: 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.

1. Article Addressed to:

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

2. Article Number

(Transfer from service label)

7012 3460 0000 6617 0092

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (*Printed Name*)

C. Date of Delivery

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

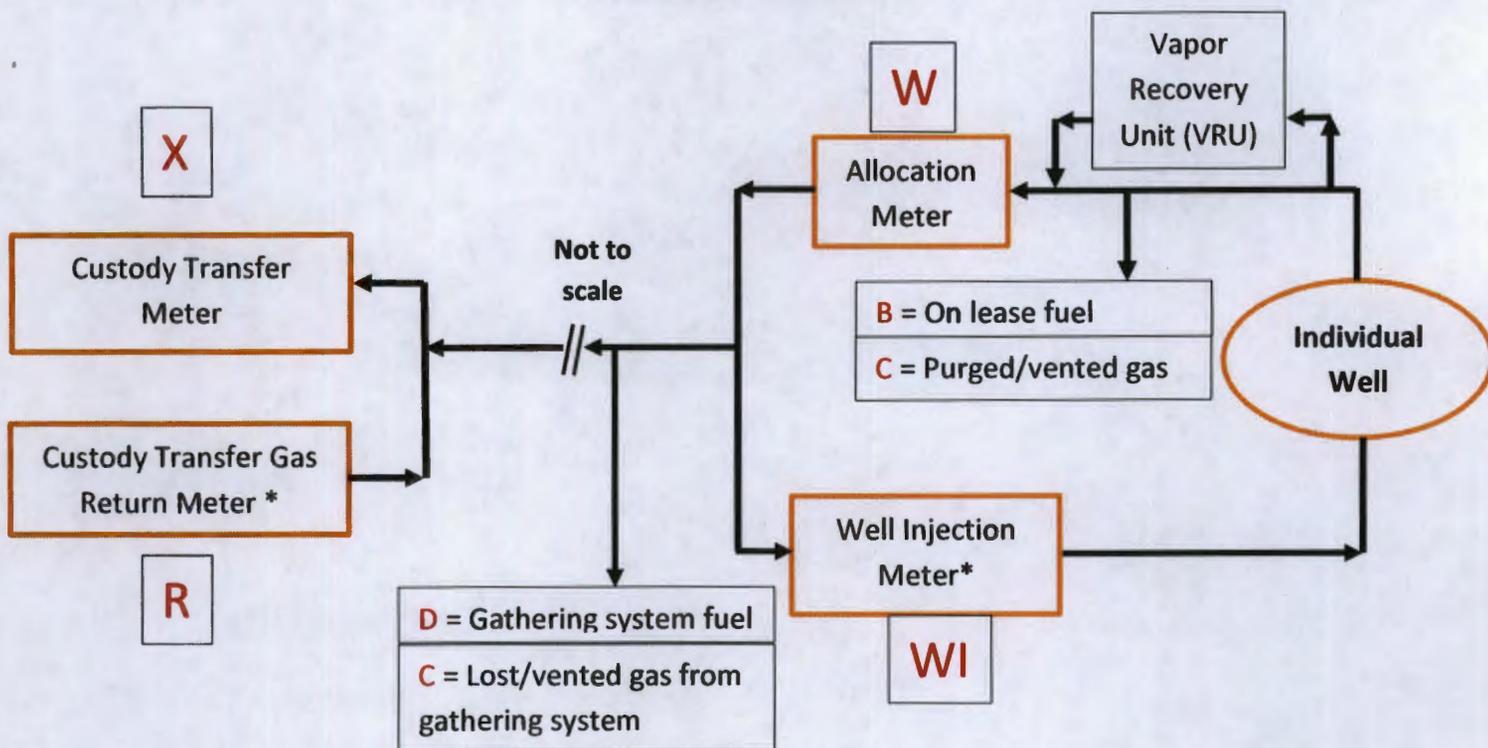
C.O.D.

4. Restricted Delivery? (*Extra Fee*)

Yes

Allocation Procedures

Escrito E13-2407 01H



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

Base Data:

- X = Gas Volume (MCF) from Custody Transfer Meter during allocation period. (Enterprise)
- R = Gas Volume (MCF) from Custody Transfer Gas Return 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 Gas Return Meter during allocation period. (Enterprise)
- Z = Heating Value (BTU/scf) from individual well allocation meter and well injection meter. (Encana)

Attachment No. 5
Encana Oil & Gas (USA) Inc.
Escrito E13-2407 01H
Off-Lease Measurement Application
Well Pad Measurement: SWNW Sec 13 T24N R7W
Project Area: N2 of Sec 14 T24N R7W
Rio Aribba County, New Mexico

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

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

A = Allocated Gas production off lease, MCF: $((W-WI) / \text{SUM}(W-WI)) * (X-R)$

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

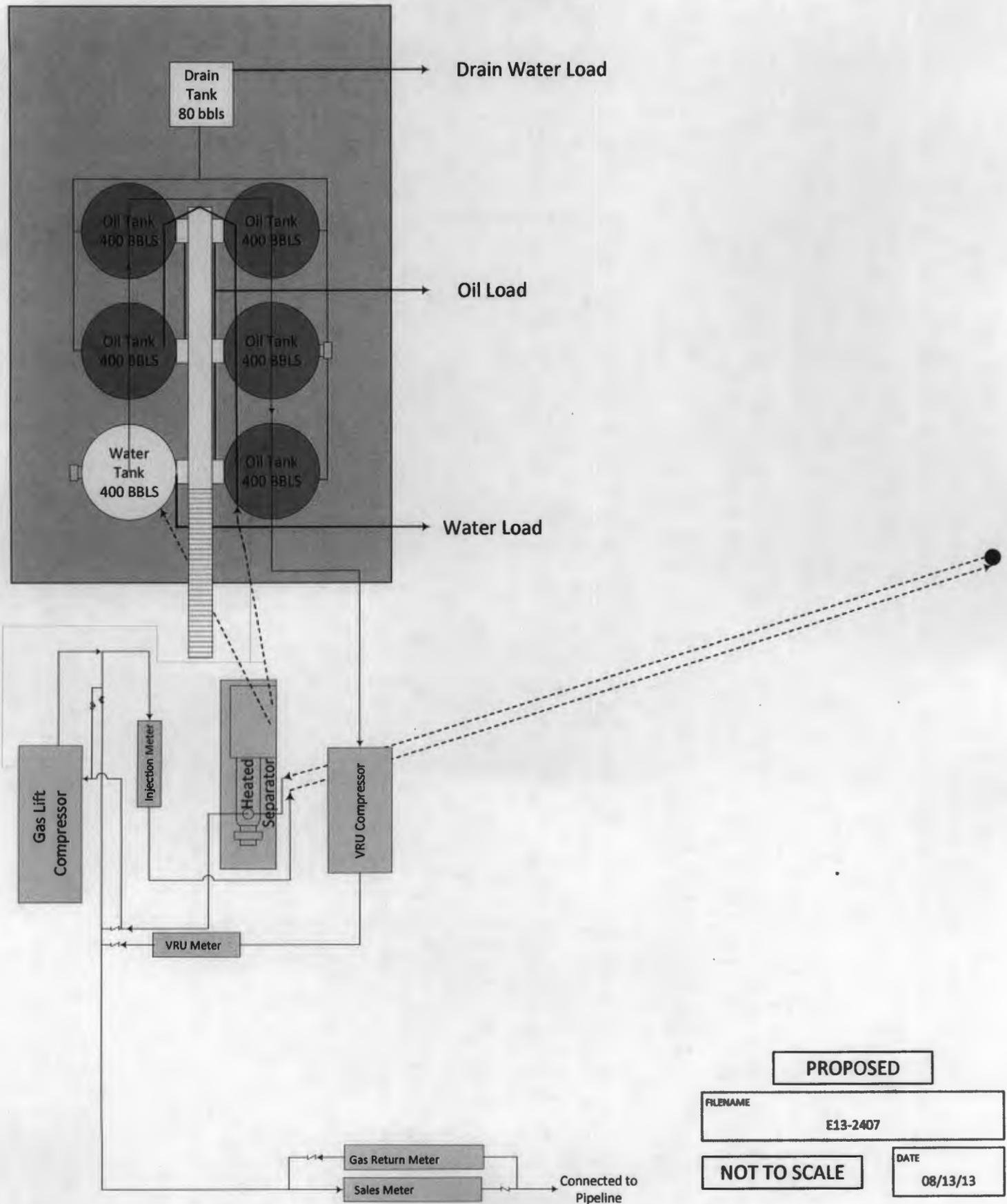
C = Lost and/or vented gas from well and/or lease equipment, MCF. Calculated using equipment and piping specifications and operating pressures.

D = Allocated fuel from gathering system equipment, MCF. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by $(W-WI) / \text{SUM}(W-WI)$.

E = Allocated volume of gas lost and/or vented from the gathering system, gathering system equipment, condensate collection, and water collection in MCF. The total volume will be determined using industry accepted procedures the time of the loss. The total volumes lost and/or vented will be allocated to the individual wells affected using factors determined by $(W-WI) / \text{SUM}(W-WI)$.

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

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



Gas Metering on Escrito E13-2407 with Gas Lift

The Escrito E13-2407 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 gas return meter and an injection (for informational purposes only) meter.

The gas return meter is used to meter any gas that is brought back from the Enterprise 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 gas return 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 return gas is used. The only difference from a typical well setup is that at the end of the month, the sales meter and gas return meter are combined to determine the net sales volume.

The second additional meter on the pad is the injection meter which is used for metering the injection gas that is circulated through the wellbore. This meter is for informational / operational optimization purposes only. Since this meter is upstream of the sales meter, this meter is not used to calculate sales volumes.