

03/28/2013 DATE IN	SUSPENSE	ENGINEER PG	LOGGED IN 04/01/2013	TYPE NSP	PPRG 1309133293 APP. NO.
-----------------------	----------	-------------	----------------------	----------	-----------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-045-29293  
April Surprise #7  
30-045-25920  
Fabulous Feb #1

**ADMINISTRATIVE APPLICATION CHECKLIST**

Encana Oil  
and  
Dugan Prod. Co.  
1966

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

**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 \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

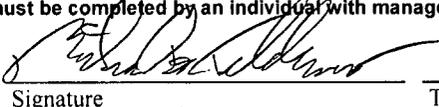
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

2013 MAR 28 P 4: 03  
 RECEIVED OGD

[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.**

Michael H. Feldewert  Attorney 3/28/13  
 Print or Type Name Signature Title Date  
 m.feldewert@hollandsart.com  
 e-mail Address



March 27, 2013

**VIA HAND DELIVERY**

Jami Bailey  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED OGD  
2013 MAR 28 P 4:03

**Re: Joint Application of Encana Oil & Gas (USA) Inc. and Dugan Production Corporation for administrative approval of an Exception to Rule 2 of the Special Rules for Bisti-Lower Gallup Oil Pool for the N/2 Section 31, Township 24 North, Range 9 West, San Juan County.**

Dear Ms. Bailey:

Encana Oil & Gas (USA) Inc. and Dugan Production Corporation jointly own 100% of the working interests under two federal leases covering the N/2 of Section 31, Township 24 North, Range 9 West, NMPM, San Juan County, New Mexico. This acreage is governed by the Special Rules and Regulations for the Bisti-Lower Gallup Pool adopted by the Oil Conservation Commission in 1983 under Order R-1069-B. Rule 2 of these Special Rules limit the orientation of the approved 80-acre spacing units to either the N/2 or the S/2 of a single governmental quarter section. Applicants seek an exception to Rule 2 for the N/2 of Section 31 to allow 80-acre spacing units comprised of the E/2 or the W/2 of a single governmental quarter section. Approval of this application will allow the Applicants to:

- (a) Change the 80-acre acreage dedication for the existing Fabulous Feb Well No. 1 (API No. 30-045-25920) from the current N/2 NW/4 to the W/2 NW/4 of Section 31; and
- (b) Dedicate 80-acre spacing units comprised of the E/2 and the W/2 of both the NE/4 and the NW/4 to two proposed horizontal wells to be located in the N/2 of Section 31.

Division records will reflect that this area is already subject to an 80-acre non-standard spacing unit for the April Surprise Well No. 7 (API No. 30-045-29293) in the Bisti-Lower Gallup Pool comprised of the W/2 NE/4 of Section 31. This non-standard spacing unit was approved by the Division in 1996 under Administrative Order NSP-1760(L).



Rule 4 of the Special Rules authorizes the "Secretary-Director of the Commission" to grant administrative exceptions to Rule 2 so long as there are no objections by offsetting operators within one-half mile of the subject area. Approval of this application will allow a standup pattern of 80-acre spacing units for the entire N/2 of Section 31 and provide for more efficient development of this area with horizontal wells.

The following exhibits are provided with this application:

**Exhibit A** contains the C-102 plats currently on file with the Division for two existing vertical wells in the NW/4 and the NE/4 of Section 31;

**Exhibit B** is the proposed amended C-102 form changing the orientation of the 80-acre spacing unit for the existing Fabulous Feb Well No. 1 in the NW/4 of Section 31;

**Exhibit C** contains the proposed Form C-102s for the two horizontal wells applicants seek to drill in the N/2 of Section 31 (the Escrito A31-2409 01H in the N/2 N/2 and the Escrito H31-2409 01H in the S/2 N/2).

**Exhibit D** is a plat showing the leases in Section 31 and within one-half mile of the N/2 of Section 31.

**Exhibit E** is a list of the operators in and within one-half mile of the N/2 of Section 31 pursuant to Rule 4 of the Special Rules for the Basin Mancos Gas Pool. A copy of this application with all attachments has been sent by certified mail to each of these affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives this application.

Your attention to this application is greatly appreciated.

Sincerely,

Michael H. Feldewert  
ATTORNEY FOR ENCANA OIL & GAS USA.

Form 3160-5  
(June 1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.  
NM 4958

6. If Indian, Altonce or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

8. Well Name and No.  
April Surprise #7

9. API Well No.  
30 045 29293

10. Field and Pool, or Exploratory Area  
Basin Dakota

11. County or Parish, State  
San Juan, NM

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
Dugan Production Corp.

3. Address and Telephone No.  
P.O. Box 420, Farmington, NM 87499 (505) 325-1821

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1050' FNL & 1520' FEL (NW/4 NE/4)  
Unit B, Sec. 31, T24N, R9W

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Interest	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

4/3/96 TIH & clean out casing to 6007'. Perforated Dakota 5943-48' and 5964-70' with 1 JSPF. Acidized perforations with 750 gallons 15% HCL. Swab tested formation.

It is intended to permanently plug back to the Gallup formation by setting a cast iron bridge plug at the top of the Dakota at 5770' and capping with 50' cement. The Gallup will be selectively perforated and fractured to evaluate the potential.

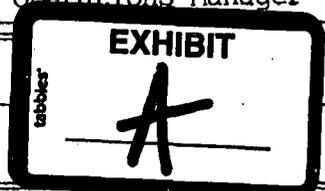
Obtained verbal approval from Steve Mason to do this work.

A plat identifying acreage dedicated to the Bisti Lower Gallup Pool is attached and an application for non-standard proration unit is being filed with the NMOCD.

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

Signed [Signature] Title Operations Manager Date 4/12/96

(This space for Federal or State office use)  
Approved by \_\_\_\_\_ Title \_\_\_\_\_  
Conditions of approval, if any:



APPROVED

APR 19 1996

DISTRICT MANAGER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

Hold C-104 MO'  
NSL & NSP @

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer 010, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C  
Revised February 21,  
Instructions on  
Submit to Appropriate District C  
State Lease - 4 C  
Fee Lease - 3 C

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30 045 29293		* Pool Code 05890	* Pool Name Bisti Lower Gallup
* Property Code 003579	* Property Name April Surprise		* Well Number 7
* OGRID No. 006515	* Operator Name Dugan Production Corporation		* Elevation 6830' Estimated

10 Surface Location

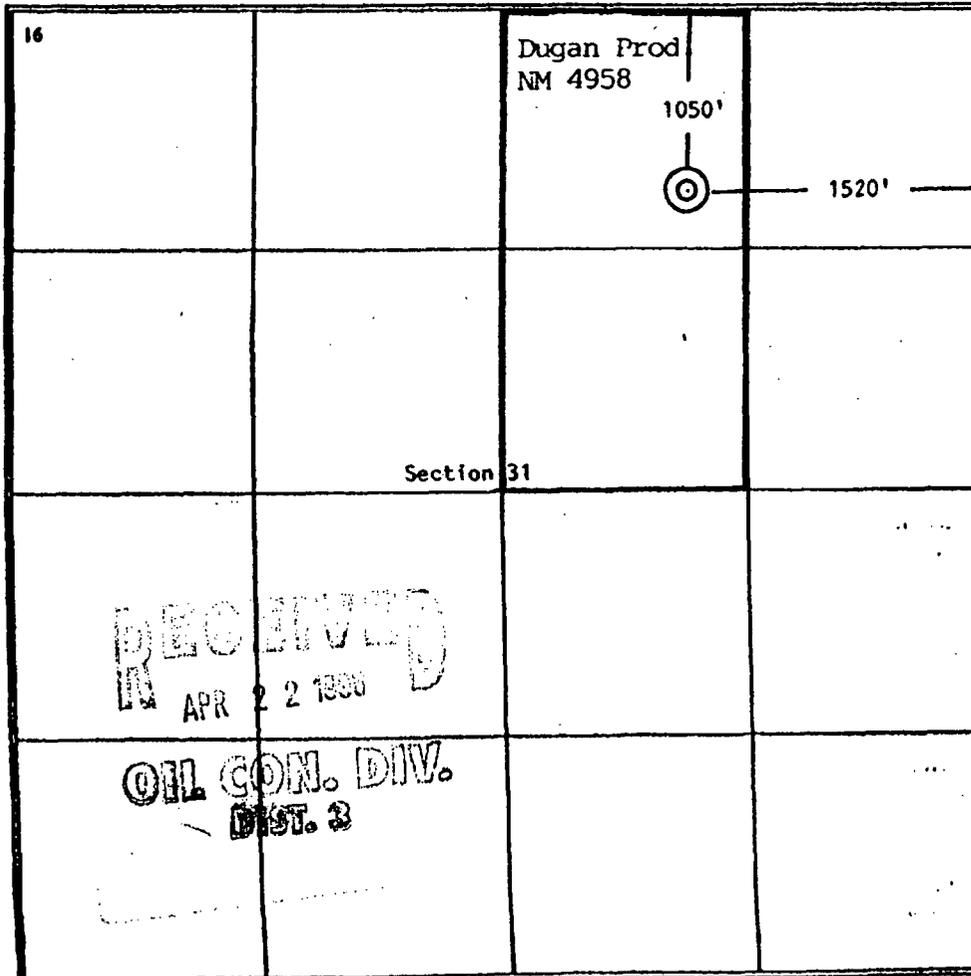
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	31	24N	9W		1050	North	1520	East	San Juan

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

* Dedicated Acres	** Joint or Infill	** Consolidation Code	** Order No.
80			

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



17 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Jim L. Jacobs*  
Printed Name: Jim L. Jacobs  
Title: Vice-President  
Date: 4/12/96

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: August 22, 1995  
Signature and Seal of Professional Surveyor: *Edgar L. Bissinger*  
Professional Surveyor  
Certificate Number: 5979

OIL CONSERVATION DIVISION *Need 152*

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1

All distances must be from the outer boundaries of the Section.

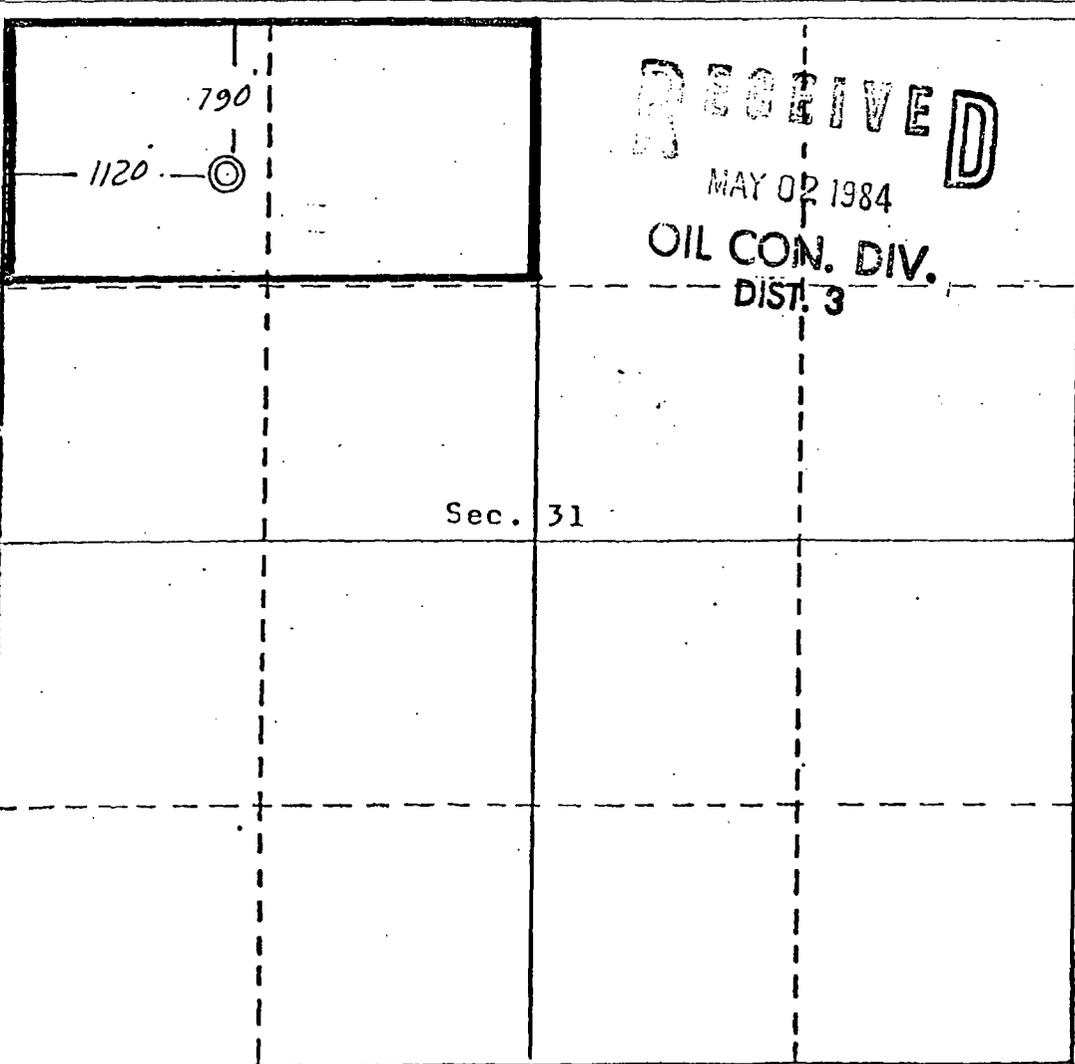
Operator <b>Dugan Production Corporation</b>		Lease <b>Fabulous Feb</b>		Well No. <b>1</b>	
Unit Letter <b>D</b>	Section <b>31</b>	Township <b>24 North</b>	Range <b>9 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>790</b> feet from the <b>North</b> line and <b>1120</b> feet from the <b>West</b> line					
Ground Level Elev. <b>6855</b>	Producing Formation <b>Gallup</b>	Pool <b>Bisti Lower Gallup EXT</b>		Dedicated Acreage: <b>80.0 80.36</b> Acre	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Name Jim L. Jacobs  
Position Geologist  
Company Dugan Production Corp.  
Date 4-18-84

*I have reviewed the location shown on this plat was made from field notes of actual measurements made to me under my supervision and that the same is correct to the best of my knowledge and belief.*

Date Surveyed February 6, 1984  
Registered Professional Engineer and/or Land Surveyor  
Edgar L. Risenhoover  
Certificate No. 5979

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

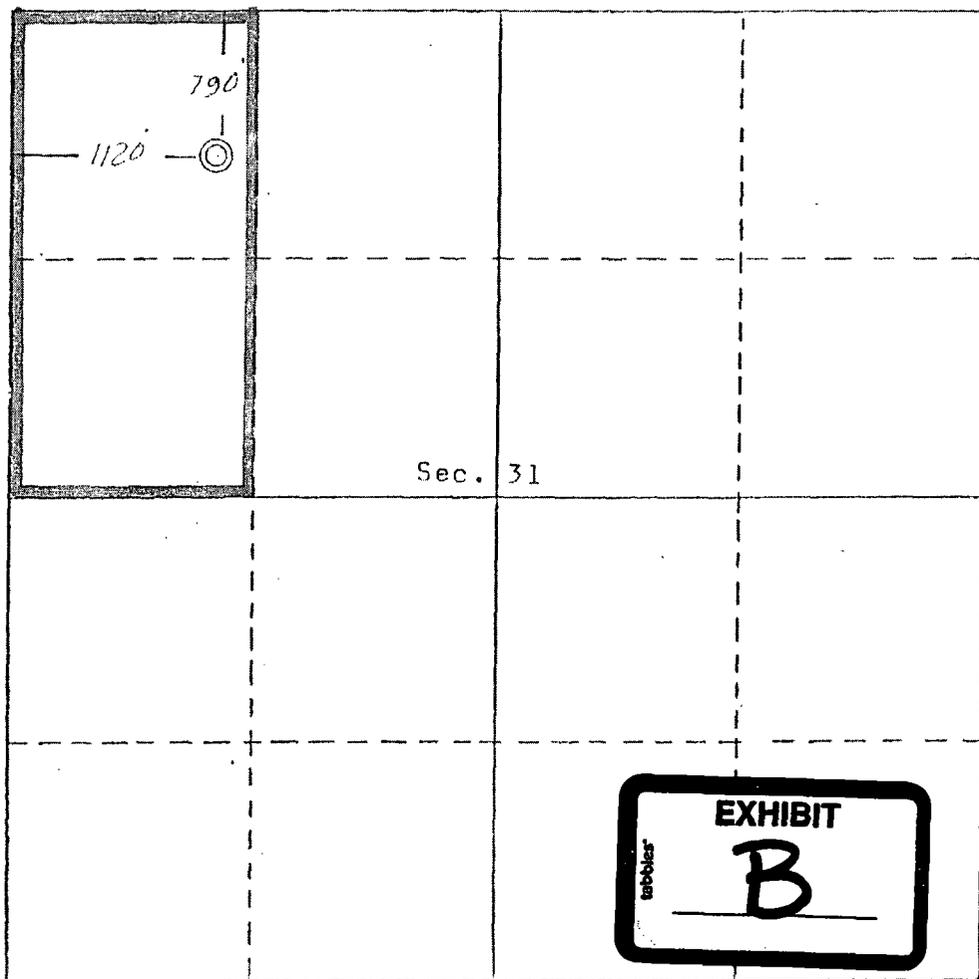
Operator <b>Dugan Production Corporation</b>		Lease <b>Fabulous Feb</b>		Well No. <b>1</b>	
Unit Letter <b>D</b>	Section <b>31</b>	Township <b>24 North</b>	Range <b>9 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>790</b> feet from the <b>North</b> line and <b>1120</b> feet from the <b>West</b> line					
Ground Level Elev. <b>6855</b>	Producing Formation <b>Gallup</b>	Pool <b>Bisti Lower Gallup</b>		Dedicated Acreage: <b>80</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

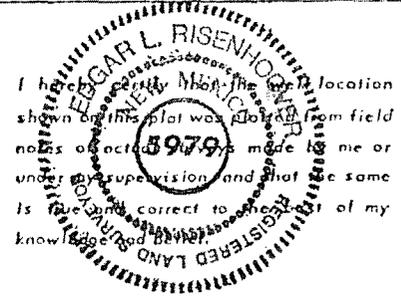
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Kurt Tzagrelis*  
Name

*VP. Land & Exploration*  
Position

*Dugan Production Corp.*  
Company

*March 21, 2013*  
Date



Date Surveyed  
*February 6, 1984*

Registered Professional Engineer and/or Land Surveyor

*Edgar L. Risenhoop*

Certificate No. *5979*  
Edgar L. Risenhoop L.S.



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

*API Number <b>30-045-39390</b>		*Pool Code 5890	*Pool Name BISTI LOWER - GALLUP
*Property Code	*Property Name ESCRITO A31-2409		*Well Number 01H
*OGRID No. 282327	*Operator Name ENCANA OIL & GAS (USA) INC.		*Elevation 6864'

<sup>10</sup> Surface Location

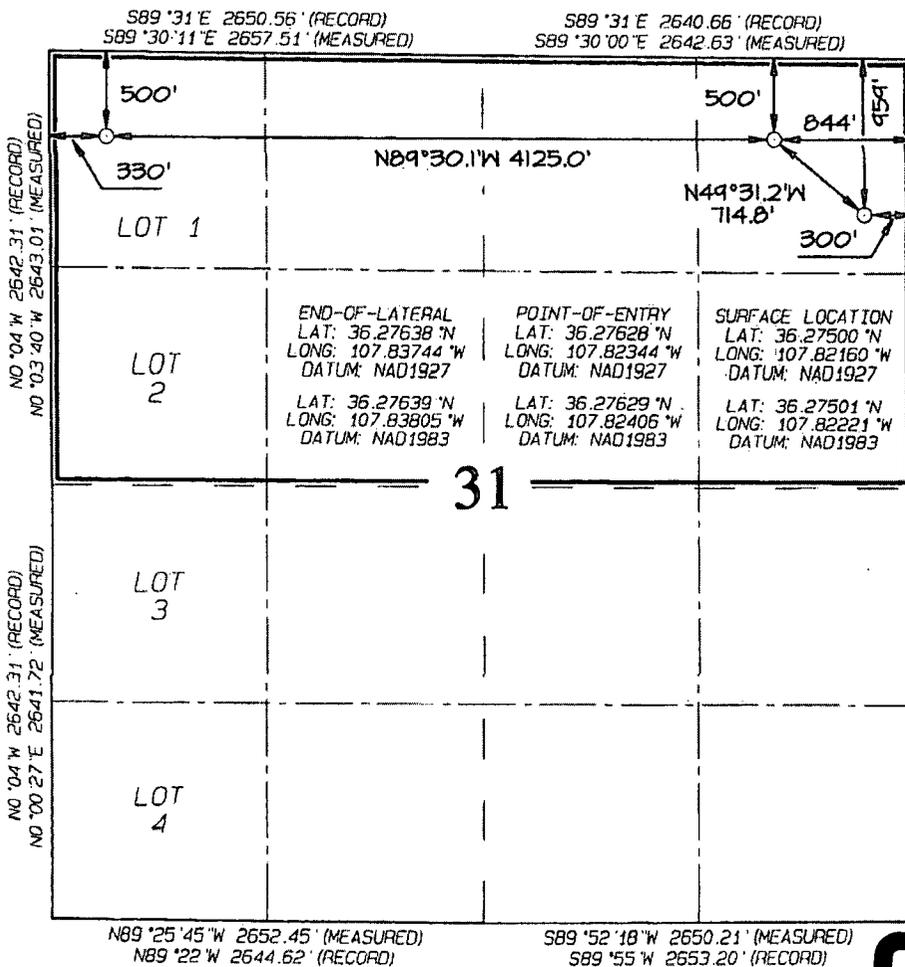
Ul. or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
A	31	24N	9W		959	NORTH	300	EAST	SAN JUAN

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

Ul. or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	31	24N	9W	1	500	NORTH	330	WEST	SAN JUAN

*Dedicated Acres 320.84 Acres - (N/2)	*Joint or Infill	*Consolidation Code	*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



<sup>17</sup> 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.

*Brenda R. Linster*  
Signature Date: 03-14-13  
Brenda R. Linster, Regulatory Lead  
Printed Name  
brenda.linster@encana.com  
E-mail Address

<sup>18</sup> 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 28, 2013  
Survey Date: FEBRUARY 9, 2012  
Signature and Seal of Professional Surveyor



**JASON C. EDWARDS**  
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

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

*API Number 30-045- <del>35990</del>	*Pool Code 5890	*Pool Name BISTI LOWER - GALLUP
*Property Code	*Property Name ESCRITO H31-2409	*Well Number 01H
*OGRID No. 282327	*Operator Name ENCANA OIL & GAS (USA) INC.	*Elevation 6831'

10 Surface Location

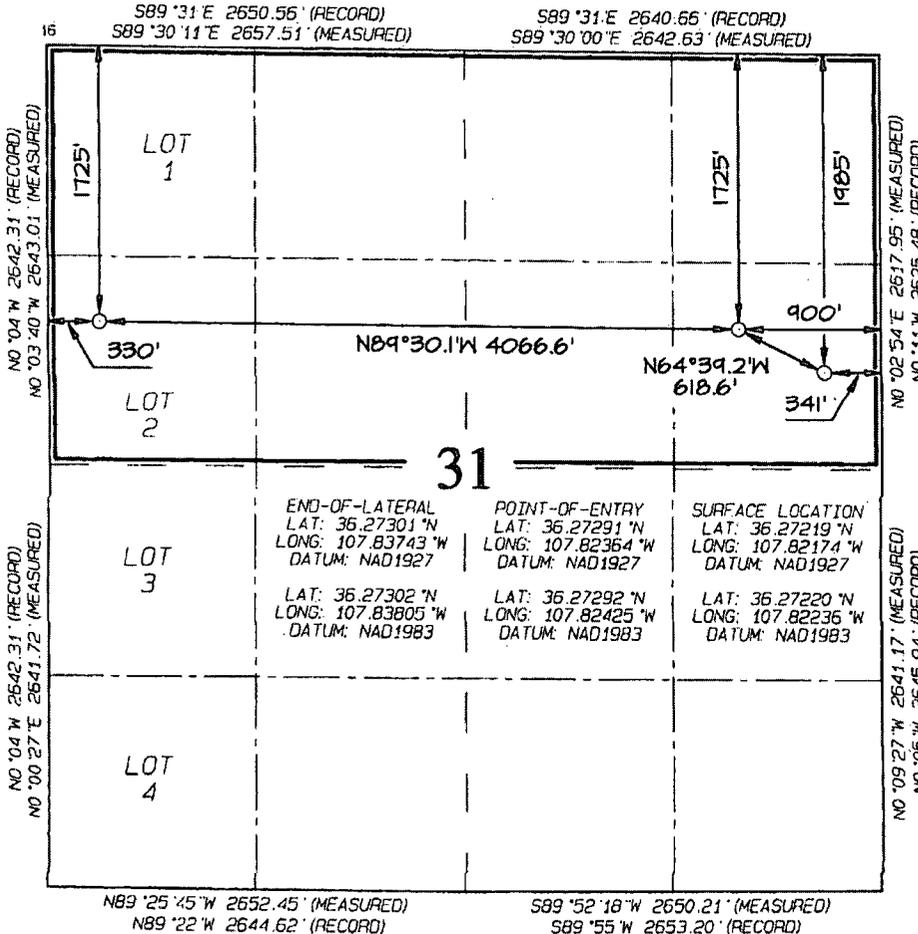
U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	31	24N	9W		1985	NORTH	341	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	31	24N	9W	2	1725	NORTH	330	WEST	SAN JUAN

12 Dedicated Acres 320.84 Acres - (N/2)	13 Joint or Infill	14 Consolidation Code	15 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



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.

Signature: *Brenda R. Linster* Date: 03-12-13  
Brenda R. Linster, Regulatory Lead  
Printed Name: brenda.linster@encana.com  
E-mail Address: brenda.linster@encana.com

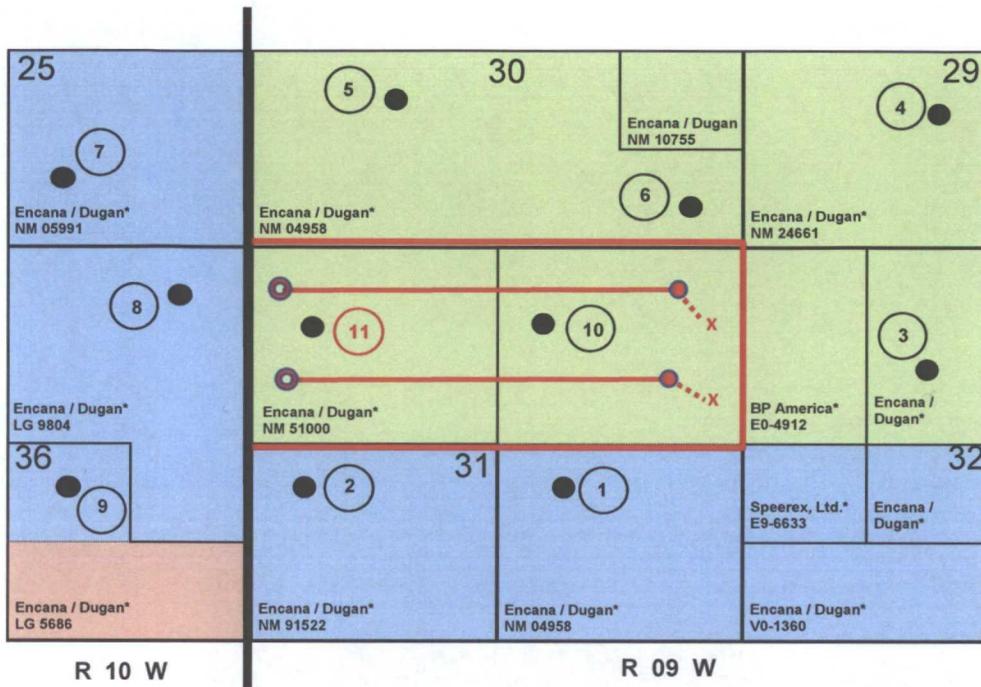
18 SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Revised: FEBRUARY 28, 2013  
Survey Date: FEBRUARY 9, 2012  
Signature and Seal of Professional Surveyor

**JASON C. EDWARDS**  
NEW MEXICO  
REGISTERED PROFESSIONAL SURVEYOR  
15269

JASON C. EDWARDS  
Certificate Number 15269

T  
24  
N



- Existing Producing Gallup Wells**
- |   |  |
|---|--|
| 1 April Surprise #9<br>W2SE4 Sec 31-24N-09W<br>Dugan Prod, Operator<br>South Bisti Gallup | 7 June Joy #2<br>N2NE4 Sec 25-24N-10W<br>Dugan Prod, Operator<br>Bisti Lower Gallup  |
| 2 Jauary Jamboree #1<br>W2SW4 Se 31-24N-09W<br>Dugan Prod, Operator<br>South Bisti Gallup | 8 Octoberfest #1<br>E2NE4 Se 36-24N-10W<br>Dugan Prod, Operator<br>South Bisti Gallup  |
| 3 March On #1<br>E2NW4 Sec 32-24N-09W<br>Dugan Prod, Operator<br>Bisti Lower Gallup       | 9 Squash Blossom AFU State #1<br>W2SE4 Se 36 24N-10W<br>Dugan Prod, Operator<br>South Bisti Gallup                                       |
| 4 July Jubilee #3<br>N2SW4 Sec 29-24N-09W<br>Dugan Prod, Operator<br>Bisti Lower Gallup   | 10 April Surprise #7<br>W2NE4 Sec 31-24N-09W<br>Dugan Prod, Operator<br>Bisti Lower Gallup<br>NSL - 1760 (L)                             |
| 5 April Surprise #2<br>N2SW4 Sec 30-24N-09W<br>Dugan Prod, Operator<br>Bisti Lower Gallup | 11 Fabulous Feb #1<br>N2NW4 Sec 31-24N-09W<br>Dugan Prod, Operator<br>Bisti Lower Gallup<br>Application for Non-Standard<br>Spacing Unit |
| 6 April Surprise #8<br>S2SE4 Sec 30-24N-09W<br>Dugan Prod, Operator<br>Bisti Lower Gallup |  |

Lower Bisti Gallup Oil Pool	<b>PROJECT AREA</b>
South Bisti Gallup Oil Pool	<b>Escrito A31 2409 01H</b> SHL 959' FEL, 300' FEL PP 500' FNL, 844' FEL BHL 500' FNL, 330' FWL
Basin Mancos Gas Pool	<b>Escrito H31 2409 01H</b> SHL 1985' FNL, 341' FEL PP 1725' FNL, 900' FEL BHL 1725' FNL, 330' FWL

\*Ownership depicted on this plat represents 100% leasehold working interest in the Gallup formation which is the subject of this Application



# Exhibit D

Encana Oil & Gas (USA) Inc.  
**Application for Exception to Rule 2  
 Non-Standard Spacing Units  
 Lower Bisti Gallup Oil Pool**

**Escrito A31 2409 01H / Escrito H31 2409 01H**  
**Fabulous Feb #1**  
 San Juan County, NM



**EXHIBIT E**

**Joint Application of Encana Oil & Gas (USA) Inc. and Dugan Production Corporation for administrative approval of an Exception to Rule 2 of the Special Rules for Bisti-Lower Gallup Oil Pool: Escrito A31 and H31 Wells.**

Dugan Production Corp.  
709 East Murray Drive  
Farmington, NM 87401-6649

BP America Production Company  
P. O. Box 3092  
Houston, TX 77253-3092  
Attention C. A. Carley

Speerex, Ltd  
p. o. Box 1363  
Mount Pleasant, SC 29465

HOLLAND & HART<sup>LLP</sup>



**Michael H. Feldewert**  
Recognized Specialist in the Area of  
Natural Resources - oil and gas law - New  
Mexico Board of Legal Specialization  
mfeldewert@hollandhart.com

March 27, 2013

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO ALL AFFECTED PARTIES

**Re: Joint Application of Encana Oil & Gas (USA) Inc. and Dugan Production Corporation for administrative approval of an Exception to Rule 2 of the Special Rules for Bisti-Lower Gallup Oil Pool for the N/2 Section 31, Township 24 North, Range 9 West, San Juan County.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced administrative application filed with the New Mexico Oil Conservation Division on February 28, 2013. As an owner of an interest that may be affected by this application, you may file a written objection to this application within twenty days with the Oil Conservation Division, located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. If no objection is received within twenty-days of the filing of this application, it may be approved administratively by the Division.

If you have any questions about this application, please contact Ms. Mona Binion with Encana Oil & Gas (USA) Inc. at (720) 876-5325.

Sincerely,

Michael H. Feldewert  
ATTORNEY FOR ENCANA OIL & GAS USA

**Holland & Hart** LLP

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻️