

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



18, 2013

Encana Oil & Gas (USA) Inc.
c/o Holland & Hart LLP
Attn: Mr. Michael H. Feldewert

ADMINISTRATIVE DOWN-HOLE COMMINGING ORDER

Administrative Order DHC-4626
Administrative Application Reference No. pPRG1316534779

Encana Oil & Gas (USA) Inc.
OGRID 282327
Escrito D34-2409 Well No. 1H
API No. 30-045-35440

Subject Pools:

Basin; Mancos Gas Pool (Pool Code 97232)
Bisti; Lower Gallup Pool (Pool Code 5890)

You have requested permission to down-hole commingle production from the above-referenced pools within this wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 19.15.12.11.A NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described.

Assignment of allowable and allocation of production from the well shall be as follows:

| | | |
|------------------------|-----------------|-----------------|
| Basin; Mancos Gas Pool | Pct Gas: 50% | Pct Oil: 50% |
| Bisti; Gallup Pool | Pct Gas: 50% | Pct Oil: 50% |
| | | |

It is our understanding that the above allocation percentages are based on the length of the completed interval of the wellbore in each pool

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

The operator shall notify the Division's Aztec district office upon implementation of commingling operations.

Pursuant to Rule 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

This Order is subject to like approval from the United States Bureau of Land Management.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec
United States Bureau of Land Management