



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
6251 College Blvd. Suite A  
Farmington, New Mexico 87402  
[www.nm.blm.gov](http://www.nm.blm.gov)



IN REPLY REFER TO:  
Corrales Canyon Unit (CCU)

March 31, 2016

Ms. Mona L. Binion  
Encana Oil and Gas (USA) Inc.  
370 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 802002

Reference is made to your request for the designation of **2,560.00** acres, more or less, in Sandoval County, New Mexico as logically subject to exploration and development under unitization provisions of the Mineral Leasing Acts for Federal and State Lands. Pursuant to unitization regulations under 43 CFR Part 3180, the lands requested, as outlined on your plat marked Exhibit 'A' for the **Corrales Canyon Unit** is hereby designated as a logical unit area. The unleased lands located in the SE/4 of section 23, T22N, R6W was removed from the original application. Your proposed use of the modified form for Federal and State lands and for a single formation undivided unit areas will be accepted. The undivided exploratory unit will unitize the Mancos Formation within the vertical limits defined in type log from the Navajo Allotted #1 well of exhibit "C" in your application. If conditions are such that further modification of said form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

The unit agreement to be submitted for the area designated will provide for the initial obligation well to be a horizontal lateral which will develop the Mancos Formation within the defined vertical limits.

In the absence of any other type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form will be approved if submitted in an approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted that, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

Please include the latest status of all acreage when the executed agreement is submitted for final approval. The format of the sample exhibits attached to the model unit agreement (43 CFR 3186.1) should be followed closely in the preparation of Exhibits A and B. A minimum of Four (4) copies of the executed agreement should be submitted with your request for final approval. If you require additional executed copies of the agreement for further distribution, please increase the number of copies accordingly.

If you have questions regarding the above unit, please contact me at (505) 564-7740 or [jhewitt@blm.gov](mailto:jhewitt@blm.gov).

Sincerely,

Joe Hewitt,  
Geologist, Petroleum Mgt Team

BEFORE THE OIL CONVERSION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 4  
Submitted by: ENCANA  
Hearing Date: April 14, 2016