

During an annual water sampling event on 6/14/2016, a discharge of hydrocarbon impacted water was identified within the East Stewart Spring. Condensate was identified to be seeping into the drainage at the spring's discharge point. Two private properties have been impacted by this release and Encana is currently working with the Property Owner's in regard to its response to this incident. No public lands or "live waters" are believed to have been impacted by this event.

At the time of this report, the volume of condensate released is unknown but is assumed to be greater than 5 barrels. It is believed the release is associated with a subsurface flow line between the M23 well pad and the A27 Central Delivery Point (CDP). Mark Schlagenhauf, COGCC Engineering Integrity Supervisor has been notified of the flowline integrity issue.) Production associated with the A27 CDP has been shut in/diverted until the flowline can be repaired.

Oil absorbent pads and booms have been placed along and downstream of the impacted spring/drainage area. Absorbent pads are being replaced periodically. Approximately one mile down gradient from the initial impact area, the spring flows into a privately owned stock pond. This stock pond is being utilized as a holding area to skim oil into water trucks. A minor amount of impacted surface water is being discharged from the pond due to a faulty head gate. Let the spring pass through at a much lower rate. The spring and any associated impacts end approximately 1,900 feet downstream from the stock pond. Efforts to repair the faulty head gate are underway.

Surface water samples have been collected and submitted for analyses in order to more accurately characterize the released material and assist in developing a remediation plan. Lab results along with other pertinent information will be provided in periodic verbal updates with a COGCC representative and in the Supplemental Form 19.