

BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF AN APPLICATION BY ENCANA OIL &)
GAS (USA) INC. FOR AN ORDER ESTABLISHING AN) CAUSE NO. 407
APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT)
FOR SECTION 2, TOWNSHIP 1 NORTH, RANGE 65 WEST,) DOCKET NO. To be assigned
6TH P.M. AND AUTHORIZING THE DRILLING OF UP TO)
TWENTY-ONE (21) HORIZONTAL WELLS IN THE)
PROPOSED UNIT, FOR THE CODELL AND NIOBRARA)
FORMATIONS, WATTENBERG FIELD, WELD COUNTY,)
COLORADO)

APPLICATION

Encana Oil & Gas (USA) Inc., Operator #100185, acting by and through its authorized agent, Encana Services Company, Ltd. ("Encana" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order to establish an approximate 640-acre drilling and spacing unit for Section 2, Township 1 North, Range 65 West, 6th P.M., for horizontal well development of the Codell and Niobrara Formations. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 1 North, Range 65 West, 6th P.M.
Section 2: All

Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands" and depicted in Exhibit A attached hereto.

3. On April 27, 1998, the Commission adopted Rule 318A. which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A. was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A. was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to this Rule for the Niobrara and Codell Formations.

4. Applicant hereby requests the Commission establish the Application Lands as an approximate 640-acre drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Codell and Niobrara Formations.

5. Acting pursuant to §34-60-116(4), C.R.S., Applicant further requests it be authorized to drill and complete up to twenty-one (21) horizontal wells, with north/south wellbore orientations, in the approximate 640-acre drilling and spacing unit proposed for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, as necessary to economically and

efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

6. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be located not less than 460 feet from the proposed unit boundaries with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, without exception being granted by the Director.

7. Applicant states that any horizontal wells to be drilled under this Application will be drilled from no more than three (3) multi-well pads on the surface of the drilling unit, or on adjacent lands with consent of the landowner, without exception being granted by the Director.

8. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

9. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to being bound by said oral order.

10. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing, this Commission enter its order:

A. Establishing an approximate 640-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of up to twenty-one (21) horizontal wells, with north/south wellbore orientations, within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundaries of the proposed unit and not less than 150 feet from the treated interval of any well being drilled or producing from the Codell or Niobrara Formations, without exception being granted by the Director.

B. Requiring that any permitted wells to be drilled under this Application should be drilled from no more than three (3) multi-well pads on the surface of the drilling unit, or on adjacent lands with consent of the landowner, without exception being granted by the Director.

C. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.

D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 4th day of March, 2015.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC. acting by and through
its authorized agent, Encana Services Company, Ltd.

By:


Michael J. Wozniak

Karen Spaulding

Jillian Fulcher

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

mwozniak@bwenergylaw.com

kspaulding@bwenergylaw.com

jfulcher@bwenergylaw.com

Address of Applicant

Encana Oil & Gas (USA) Inc.

ATTN: Jack Croom

307 17th Street, Suite 1700

Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO

)

) ss.

CITY & COUNTY OF DENVER

)

Jack Croom, Senior Land Negotiator for Encana Oil & Gas (USA) Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

ENCANA OIL & GAS (USA) INC. acting by and through
its authorized agent, Encana Services Company, Ltd.

Jack Croom

Jack Croom

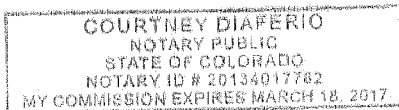
Subscribed and sworn to before me this 4th day of March, 2015, by Jack Croom, Senior Land Negotiator for Encana Oil & Gas (USA) Inc.

Witness my hand and official seal.

My commission expires: 3/18/2017

Courtney Diaferio

Notary Public



Section 2, T1N R65W
Weld County

Exhibit A
Application Map

Application Lands - 

5	4	3	2	1
	T1N, R65W			
8	9	10	11	12
17	16	15	14	13
20	21	22	23	24

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in this Exhibit B.

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

KC Operations Inc.
1110 S. Pine Lake Drive
Tampa, FL 33612-4051
Last known address

K.P. Kauffman Company, Inc.
Attn: Avi Mehler
1675 Broadway, Ste. 1970
Denver, CO 80202

H.L. Willett
518 17th Street, Ste. 250
Denver, CO 80202-4103

Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Tom Parko
Weld County
1555 North 17th Street
Greeley, CO 80631

Emma L. Ireland - deceased

Roger G. Ireland – Deceased

Farmers Reservoir and Irrigation Company
80 S. 27th Ave.
Brighton, CO 80601-2602

Beatty & Wozniak, P.C.
216 16th Street, Suite 1100
Denver, Colorado 80202

Thomas L Hoffman, Individually and aka Thomas
A Hoffman, dba Prime Resources Corporation
3630 Meadow Creek Circle
Fargo, ND 58104

K.P. Kauffman as Trustee of the Burge Exploration
Inc. Liquidation Trust
Attn: Avi Mehler
1675 Broadway, Ste. 1970
Denver, CO 80202

W. B. Macey
Attn: Keith H. Heimbeck
P.O. Box 2210
Denver, CO 80201

Tom Schreiner, Energy Liaison
Colorado Parks and Wildlife
Northeast Region Office
6060 Broadway
Denver, CO 80216

Broomfield Lending, LLC
1004 Depot Hill Road, Ste. 2B
Broomfield, CO 80020-6740

Earl S. Ireland - deceased

Collette Bradt
10 Sudbury Road
Rogers, AR 72756-8201

BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

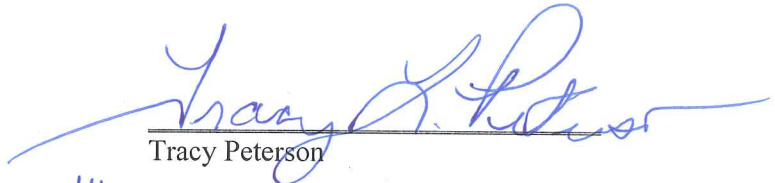
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STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

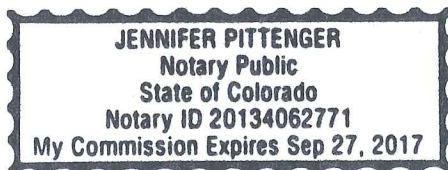
Tracy Peterson, of lawful age, and being first duly sworn upon her oath, states and declares:

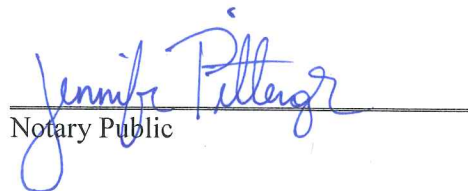
That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Encana Oil & Gas (USA) Inc., and on or before March 4, 2015, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.


Tracy Peterson

Subscribed and sworn to before me this 4th day of March, 2015.

Witness my hand and official seal.




Notary Public