

APPLICATION FOR TRANSPORTATION AND
UTILITY SYSTEMS AND FACILITIES
ON FEDERAL LANDS

FORM APPROVED
OMB No. 1004-0189
Expires: October 31, 2005

FOR AGENCY USE ONLY

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

Application Number

Date Filed:

1. Name and address of applicant (include zip code)

EnCana Oil & Gas (USA) Inc.
Republic Plaza
370 17th Street, Suite 1700
Denver, CO 80202

2. Name, title, and address of authorized agent if different from item 1 (include zip code)

3. TELEPHONE (area code)

720-876-3070

Applicant:

Heather R. Mitchell

Authorized Agent

4. As Applicant are you? (check one)

- a. ☐ Individual
b. ☒ Corporation*
c. ☐ Partnership/Association*
d. ☐ State Government/State Agency
e. ☐ Local Government
f. ☐ Federal Agency

5. Specify what application is for: (check one)

- a. ☒ New Authorization
b. ☐ Renewing existing authorization No
c. ☐ Amend existing authorization No
d. ☐ Assign existing authorization No.
e. ☐ Existing use for which no authorization has been received.
f. ☐ Other*

* If checked, complete supplemental page

* if checked, provide details under item 7

6. If an individual, or partnership are you a citizen(s) of the United States? ☐ Yes ☐ No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction (Attach additional sheets, if additional space is needed.)

a) Well pad to contain up to 60 wellhead locations and expansion of existing pipeline ROWs in section 15 T5S R96W to drill both federal and fee wells.

b) Existing roads and pipeline ROWs will be used to transport operational equipment and product to and from the well pad

c) Pad and associated roads and pipelines will create ~10 acres of new disturbance. The pad is 245' x 935'. No grades higher than 10%.

d) Encana will need this ROW through the life of the wells that produce on that pad ~30 years.

f) Volume or amount of product to be transported will vary at different stages of development.

g) Encana intends to build this pad in summer 2012.

h) After the drilling and completion of the wells on the pad Encana will reclaim this pad to 3.86 acres.

8. Attach a map covering area and show location of project proposal.

See attached pad layouts and topo maps and surface use plan

9. State or Local government approval: ☐ Attached ☒ Applied for ☐ Not required

10. Non-returnable application fee: ☐ Attached ☐ Not required

To be submitted upon determination by BLM.

11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

EnCana Oil & Gas (USA) Inc. is technically and financially capable of constructing, operating and maintaining this facility

(Continued on Page 2)

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13a. Describe other reasonable alternative routes and modes considered.

Multiple well pads in the Sec. 15 T5S R96W

b. Why were these alternatives not selected?

Encana is able to reach the most potential bottom hole locations from this one pad location.

c. Give explanation as to why it is necessary to cross Federal Lands.

The pad will be built on federal land.

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency (Specify number, date, code, or name)

WF K22 596 pad (COGCC #335648) EF G29 595 (COGCC # 335573)

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

Encana can reach far more bottom hole locations from this pad, it would require 2-3 separate locations to reach this many bottom holes in the same area. a) ~ \$400,000 for 1 large pad b) ~ \$600,000 for 3 pads c) By containing all the wells on one pad, Encana disturbs less acreage overall.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

No long term social or economical impacts are foreseen and should not affect the rural lifestyles in the area.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

a) The proposed project will likely result in minor emissions of air pollutants such as volatile organic compounds, nitrogen oxides, carbon monoxide, and particulate matter. The Colorado Department of Public Health and Environment and Environmental Protection Agency sets standards for which these pollutants must be controlled to levels that protect public health. If the emissions from the planned project exceed the levels that require additional control equipment, Encana will install all required controls.

b) A drilling rig will be onsite to drill the wells; however Oil & Gas Development surrounds the project area.

c) The pad and associated roads are designed to contain spills with storm water BMPs and erosion controls- no impacts are foreseen.

d) Yes, a non-jurisdictional drainage will be diverted during operations.

e) Existing noise levels may increase during the drilling and completing of these wells.

f) ~10 acres of vegetation will be removed from the location. Top soil windrowed, seeded and managed to maintain viability. Once drilling is completed the site is interim reclaimed and seeded which stabilizes the site so any impacts are short term.

Native species will be used for interim and final reclamation to return site to as close as it was originally. A stormwater permit is on file with the CDPHE.

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plant life, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

a) The project raises the potential for spills and sedimentation to the creek, which is a populated by a state species of concern (Colorado River Cutthroat Trout). Appropriate BMPs will be applied, including Stormwater and SPCC controls.

b) For big game, this is winter range habitat. There will be a direct loss of vegetation due to construction of the location. Also, there may be short term impacts on the level of use of this winter range by big game during the development of these wells. They animals are likely to avoid the area and areas farther up the box canyon to some degree. Encana's reclamation BMPs and three-phase gathering system should help mitigate the long term impacts. For raptors, particularly eagles, there is a chance that birds nesting in the area may not nest during the development period or may be unsuccessful at nesting, or may abandon the territory altogether. Appropriate surveys for nesting activity prior to development activity and application of appropriate nest buffers will address this concern.

19. State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

Yes some hazardous material as defined under this paragraph may be used, produced, transported, or stored on or within this right-of-way or any of its facilities during construction, operation, maintenance or termination of this right-of-way.

20. Name all the Department(s) / Agency(ies) where this application is being filed.

Bureau of Land Management - Colorado River Valley

Attn: DJ Beaupert

2300 River Frontage Road

Silt, CO 81652

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Heather Mitchell

Date: *8/25/11*

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 statements or representations as to any matter within its jurisdiction.

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide additional instructions

**CHECK APPROPRIATE
BLOCK**

I - PRIVATE CORPORATIONS	ATTACHED	FILED*
a. Articles of Incorporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Corporation Bylaws	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.	<input type="checkbox"/>	<input type="checkbox"/>
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.	<input type="checkbox"/>	<input type="checkbox"/>

II - PUBLIC CORPORATIONS

a. Copy of law forming corporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Proof of organization	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Copy of Bylaws	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. If application is for an oil and gas pipeline, provide information required by item "I-f" and "I-g" above.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY

a. Articles of association, if any	<input type="checkbox"/>	<input type="checkbox"/>
b. If one partner is authorized to sign, resolution authorizing action is	<input type="checkbox"/>	<input type="checkbox"/>
c. Name and address of each participant, partner, association, or other	<input type="checkbox"/>	<input type="checkbox"/>
d. If application is for an oil and gas pipeline, provide information required by item "I-f" and "I-g" above.	<input type="checkbox"/>	<input type="checkbox"/>

- If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g., number, date, code, name). If not on file or current, attach the requested information.