

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

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Date Received:

06/12/2012

PluggingBond SuretyID

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☐3. Name of Operator: ENCANA OIL & GAS (USA) INC4. COGCC Operator Number: 1001855. Address: 370 17TH ST STE 1700City: DENVER State: CO Zip: 80202-56326. Contact Name: Erin Hochstetler Phone: (720)876-5827 Fax: ()Email: erin.hochstetler@encana.com7. Well Name: WhF Well Number: DHS7C-20 D17998

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 16418

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 17 Twp: 9S Rng: 98W Meridian: 6Latitude: 39.277444 Longitude: -108.359058

Footage at Surface: 992 feet FNL 766 feet FWL

11. Field Name: Bronco Flats Field Number: 756312. Ground Elevation: 5773 13. County: MESA

14. GPS Data:

Date of Measurement: 03/22/2012 PDOP Reading: 1.9 Instrument Operator's Name: Ted Taggart15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 689 FNL 680 FWL 1 FSL 685 FWL
 Sec: 17 Twp: 9S Rng: 98W Sec: 20 Twp: 9S Rng: 98W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 515 ft18. Distance to nearest property line: 7651 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1258 ft

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Mancos | MNCS | | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☒ Yes ☐ No Surface Surety ID#:23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☒ Yes ☐ No23b. If 23 is No: ☐ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

COC 12645 (SHL) T9S-98W-Sec. 17: All - COC 12645A (BHL) T9S-R98W-Sec. 18: Lots 1-4, E/2W/2, E/2 Sec. 19: Lots 1-4, NENW, NE, SENW, SE, Sec. 20: W/2SW

25. Distance to Nearest Mineral Lease Line: 1 ft

26. Total Acres in Lease: 2467

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

31. Mud disposal: ☐ Offsite ☒ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Recycle & Bury

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-----------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 30 | 20 | line pipe | 0 | 120 | 319 | 120 | 0 |
| SURF | 14+3/4 | 10+3/4 | 41 | 0 | 1,000 | 469 | 1,000 | 0 |
| 2ND | 9+7/8 | 7+5/8 | 26 | 0 | 4,900 | 656 | 4,900 | 0 |
| 3RD | 6+3/4 | 4+1/2 | 12 | 0 | 16,418 | 1,021 | 16,418 | 200 |

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments Encana is proposing a new unit in this area. Third string casing will be either 4 1/2 or 5 1/2 with weight as 12# and 17# respectively. The top of cement will be 200' above Mancos.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____

Print Name: Erin Hochstetler

Title: Permitting Technician

Date: 6/12/2012

Email: erin.hochstetler@encana.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved:  Director of COGCC Date: 7/27/2012

API NUMBER

05 077 10201 00

Permit Number: _____ Expiration Date: 7/26/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

RUN CBL ON 7 5/8 INTERMEDIATE CASING FROM TD TO SURF CSG SHOE (1000' DEPTH MINIMUM)

RUN CBL ON 4 ½ PRODUCTION CASING FROM TD TO INTERMEDIATE CSG SHOE (4900' DEPTH MINIMUM)

ADHERENCE(S) TO THE FOLLOWING NOTICE TO OPERATORS APPLIES:

NW AREA NOTIFICATION PROCEDURES

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 1533446 | EXCEPTION LOC REQUEST |
| 1533447 | EXCEPTION LOC WAIVERS |
| 400289148 | FORM 2 SUBMITTED |
| 400294690 | DEVIATED DRILLING PLAN |
| 400294691 | DIRECTIONAL DATA |
| 400294970 | WELL LOCATION PLAT |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Off hold; attached exc. loc. ltr. request to Rule 318.a and BLM waiver email. No LGD or public comments. Final Review--passed. | 7/27/2012 2:09:12 PM |
| Permit | On hold--oper. advised fed. unit not yet approved. Deleted fed. unit name & # .Submitting exc. loc. req. ltr. and BLM waiver email. | 7/26/2012 9:36:59 AM |
| Permit | Removed plugging bond. Need to correct BLM lease description COC 12645A. Need fed. unit map.Corrected total acres in leases to 2467. | 7/17/2012 9:12:18 AM |
| Permit | Operator made corrections. | 6/13/2012 7:38:47 AM |
| Permit | Returned to draft. Plugging bond ID not required. No attachments. | 6/12/2012 10:57:37 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|--|
| Wildlife | <ul style="list-style-type: none">• Prohibit Encana employees and contractors from carrying projectile weapons on Encana leases.• Prohibit pets on Encana leases.• Strategically apply fugitive dust control measures, including enforcing established speed limits on Encana private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources. |
| Construction | <ul style="list-style-type: none">• Use solar panels as an alternative energy source for on-location production equipment, where appropriate, economically and technically feasible.• Use multiple gathering lines placed in a single trench to minimize disturbance and construction, where appropriate, economically and technically feasible.• Install pipeline crossings at right angles to the drainages, wetlands, and perennial water bodies, where appropriate, economically and technically feasible. |

Total: 2 comment(s)