

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



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Date Received:

08/08/2012

PluggingBond SuretyID

20100017

## APPLICATION FOR PERMIT TO:

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

## 2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER \_\_\_\_\_  
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refilling ☒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: Jevin Croteau Phone: (720)876-5339 Fax: (720)876-6339Email: jevin.croteau@encana.com7. Well Name: Nichols Well Number: 19-10H (PL31SE)8. Unit Name (if appl): Plateau Creek Unit Number: COC-74774X9. Proposed Total Measured Depth: 18463

## WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 31 Twp: 9S Rng: 95W Meridian: 6Latitude: 39.228480 Longitude: -108.028359

Footage at Surface: 1405 feet FNL/FSL 744 feet FEL/FWL FEL

11. Field Name: Plateau Field Number: 6930012. Ground Elevation: 5918 13. County: MESA

## 14. GPS Data:

Date of Measurement: 09/05/2007 PDOP Reading: 0.0 Instrument Operator's Name: Ted Taggart15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1831 FSL 1314 FEL 2329 FSL 1761 FEL 2329  
 Sec: 31 Twp: 9S Rng: 95W Sec: 19 Twp: 9S Rng: 95W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 540 ft18. Distance to nearest property line: 1233 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 800 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 #: COC1319222. 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 ☐ No

23b. 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):

Horizontal wellbore will produce from multiple leases: BLM Lease #013192: Sec. 30, SENE, S2SE & NESE; Sec. 31, NWNE & SE of T9S, R95W & Sec. 6, Lots 1 thru 5, SWNE, SENW & NESW; Sec. 7NWNE of T10S, R95W. Other leases mapped on attached lease map.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 719

### 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: \_\_\_\_\_

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	24	16	65	0	40	118	40	0
SURF	14+3/4	10+3/4	40.5	0	1,508	822	1,508	0
1ST	9+7/8	7+5/8	26.4	0	6,900	1,041	6,900	1,152
2ND	6+3/4	5	23.2	0	18,463	888	18,463	6,400

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

33. Comments There have been no changes to the surrounding land use since the original APD was submitted for this well and location.

34. Location ID: 417612

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: Jevin Croteau

Title: Regulatory Analyst Date: 8/8/2012 Email: jevin.croteau@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: Matthew Lee Director of COGCC Date: 8/31/2012

#### API NUMBER

05 077 10095 00

Permit Number: \_\_\_\_\_ Expiration Date: 8/30/2014

#### 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.

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE TOP OF GAS (OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON). VERIFY CEMENT WITH A CBL.

(3) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(4) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(5) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.

### **Attachment Check List**

Att Doc Num	Name
1533631	LEASE MAP
400313721	FORM 2 SUBMITTED
400313767	WELL LOCATION PLAT
400313769	30 DAY NOTICE LETTER
400313771	DEVIATED DRILLING PLAN
400313774	SURFACE AGRMT/SURETY
400314432	DIRECTIONAL DATA

Total Attach: 7 Files

### **General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Location not built. No LGD or public comments. Final Review--passed.	8/31/2012 8:12:30 AM
Permit	oper. verified prop. line distance is correct. Horizontal wellbore crosses lease line so distance to nearest lease line is 0'. Submitted Plateau Creek fed. unit outline map w/ lease info; entire wellbore on fee and federal acreage leased by Encana. Distance to fed. unit boundary greater than 600'.	8/28/2012 12:13:57 PM
Permit	question on dist. to prop. line (should be 744?). need fee lease description. lease description is for federal lease only.	8/27/2012 9:04:47 AM
Permit	Operator made corrections.	3/9/2012 2:19:43 PM
Permit	REturned to draft. Deviated drilling plan does not match directional template.	8/9/2012 11:56:53 AM

Total: 5 comment(s)

### **BMP**

<b><u>Type</u></b>	<b><u>Comment</u></b>

Total: 0 comment(s)