

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400346616

Date Received:

12/12/2012

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

Refiling

Sidetrack

3. Name of Operator: ENCANA OIL & GAS (USA) INC

4. COGCC Operator Number: 100185

5. Address: 370 17TH ST STE 1700

City: DENVER State: CO Zip: 80202-5632

6. Contact Name: MIRACLE PFISTER Phone: (720)876-3761 Fax: (720)876-4861

Email: miracle.pfister@encana.com

7. Well Name: IONE Well Number: 1E-10H

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

9. Proposed Total Measured Depth: 12061

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 10 Twp: 2N Rng: 66W Meridian: 6

Latitude: 40.157830 Longitude: -104.758560

Footage at Surface: 768 feet FNL 1332 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4999 13. County: WELD

14. GPS Data:

Date of Measurement: 10/04/2012 PDOP Reading: 1.8 Instrument Operator's Name: RICE

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 740 FNL 854 FEL Bottom Hole: 460 FSL 850 FEL
Sec: 10 Twp: 2N Rng: 66W Sec: 10 Twp: 2N Rng: 66W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 3397 ft

18. Distance to nearest property line: 768 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 105 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.)
CODELL	CODL		320	GWA

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. 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):

E2 SEC 10 T2N-R66W

25. Distance to Nearest Mineral Lease Line: 768 ft 26. Total Acres in Lease: 1880

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	22	16	30	0	80	80	80	0
SURF	12+1/4	9+5/8	40	0	827	216	827	0
1ST	8+3/4	7	26	0	7,974	979	7,974	4,085
2ND	6+1/8	4+1/2	13.5	0	12,061	362	12,061	7,674

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

33. Comments Encana requests the approval of a 318A(l).a.(1) and 318A(l).c(1) exception location as the well head is to be located outside of a GWA drilling window and further than 50' from an existing well. Request letter and waivers attached. Encana requests the approval of the omission of open hole logs, request letter attached. Proposed spacing unit is E/2 of Sec.10-T2N-R66W.

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: MIRACLE PFISTER

Title: REGULATORY ANALYST Date: 12/12/2012 Email: miracle.pfister@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: 2/14/2013

API NUMBER **05 123 36775 00** Permit Number: _____ Expiration Date: 2/13/2015

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) Provide notice of MIRU via an electronic Form 42.
 2) Comply with Rule 317.i and provide cement coverage from the 7" casing TD to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.

Operator must meet water well testing requirements per Rule 318A.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num	Name
1695488	PROPOSED SPACING UNIT
2482031	SURFACE CASING CHECK
2482060	CORRESPONDENCE
400346616	FORM 2 SUBMITTED
400357345	EXCEPTION LOC WAIVERS
400357365	OTHER
400357366	TOPO MAP
400357368	WELL LOCATION PLAT
400357370	DEVIATED DRILLING PLAN
400357376	30 DAY NOTICE LETTER
400357377	LEASE MAP
400357378	DIRECTIONAL DATA
400357419	EXCEPTION LOC REQUEST
400357420	VARIANCE REQUEST

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	2/11/2013 8:46:08 AM
Permit	Changed spacing unit to 320 acres GWA unit config. and Received and attached proposed spacing unit map & 30 day cert letter . ok to pass.	2/4/2013 3:53:33 PM
Permit	ON HOLD: requesting confirmation of spacing unit and new proposed spacing map.	12/31/2012 10:19:35 AM
Permit	Operator's request for omission of open hole logs.	12/31/2012 10:19:01 AM
Permit	Operator requests approval of a Rule 318Am exception location: Wellbore is to be located less than 150' from an existing wellbore. Request and waivers attached.	12/31/2012 10:18:59 AM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached.	12/31/2012 10:18:49 AM
Engineer	Evaluated offset wells for adequate cement coverage.	12/27/2012 9:42:03 AM
Engineer	Received information from operator stating the proposed surface casing depth should be 827'.	12/27/2012 9:42:02 AM
Engineer	Current proposed surface casing depth is 4385'. Called Encana to verify. Awaiting a response.	12/26/2012 1:48:07 PM

Total: 9 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
Drilling/Completion Operations	Encana will comply with the "COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012.

Total: 2 comment(s)