

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:

400355271

Date Received:

01/07/2013

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: Erin Hochstetler Phone: (720)876-5827 Fax: ()

Email: erin.hochstetler@encana.com

7. Well Name: State Well Number: 1-16

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

9. Proposed Total Measured Depth: 8022

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 16 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.228950 Longitude: -105.000240

Footage at Surface: 1553 feet FNL 465 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5016 13. County: WELD

14. GPS Data:

Date of Measurement: 06/13/2012 PDOP Reading: 2.0 Instrument Operator's Name: John McGehee

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

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
1320 FNL 1320 FEL 1320 FNL 1320 FEL
Sec: 16 Twp: 3N Rng: 68W Sec: 16 Twp: 3N Rng: 68W

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: 442 ft

18. Distance to nearest property line: 400 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 116 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		160	GWA
J SAND	JSND		320	
NIOBRARA	NBRR		160	GWA

21. Mineral Ownership: Fee State Federal Indian Lease #: 1392

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):

N2 Section 16 T3N, R68W, Weld County, Colorado

25. Distance to Nearest Mineral Lease Line: 1320 ft 26. Total Acres in Lease: 320

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
SURF	12+1/4	8+5/8	24	0	600	230	600	0
1ST	7+7/8	4+1/2	11.6	0	8,022	180	8,022	6,947

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

33. Comments No conductor casing will be utilized. Encana requests the approval of a 318A(l).a.(1) exception location as the well head is to be located outside of a GWA drilling window. Request letter and waivers attached. Proposed Spacing Unit for NB-CD is NE/4.

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: 1/7/2013 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: Matthew Lee Director of COGCC Date: 2/15/2013

API NUMBER
05 123 36805 00

Permit Number: _____ Expiration Date: 2/14/2015

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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1695500	CORRESPONDENCE
1695510	EXCEPTION LOC WAIVERS
1772242	SURFACE CASING CHECK
400355271	FORM 2 SUBMITTED
400364525	DEVIATED DRILLING PLAN
400364526	30 DAY NOTICE LETTER
400364527	WELL LOCATION PLAT
400364528	MINERAL LEASE MAP
400364536	EXCEPTION LOC REQUEST
400364537	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

User Group	Comment	Comment Date
Final Review	Public comment recieved. Town of Mead comment received, Weld County is LGD. Discussed with operator and provided response in comments on Form 2A and correspondence attached to Form 2A. COAs attached. Final review complete.	2/15/2013 5:31:23 PM
Permit	Received and attached signed Exception Loc Waiver. Surface Restoration Bond on file with SLB; per Tim Kelly. ok to pass.	2/5/2013 2:55:15 PM
Permit	Related correspondence from the Town of Mead is attached.	2/5/2013 2:35:02 PM
Permit	Received form 2A and State Mineral Lease number 1392. ON HOLD: w/o signed Exception Loc Waiver.	1/29/2013 8:50:39 AM
Public	<p>We are the adjacent land owners to the proposed State 1-16 8-pad and State 23-16 wells and our property is currently being annexed and zoned with the Town of Mead. Notification as required to owners within 500 was not provided by the Operator. Our understanding of the proposed COGCC new setback rules will require a 500 no build setback from each well head and production facilities location. These setbacks will encroach to our property, which we consider to be a takings of our property and property rights, and a violation of our No Surface Occupancy Agreement we hold with the mineral owner. We request a consultation with the Operator prior to application approval, drilling, or installation of facilities so that we can verify and ensure the locations will not impact development of our property. Additionally, no BMPs were listed on the application. Since our property will be platted for attached and detached single-family residential we request the COGCC add requirements to the Operator that appropriate BMPs be installed around the well heads and the production facilities to mitigate visual and noise nuisances to future adjacent homeowners.</p>	1/21/2013 1:38:30 PM
Permit	ON HOLD: Requesting signed Exception Loc Waiver, State Mineral lease number & form 2A. Emailed Tim Kelly and Sherry Lee at SLB for verification of Surface Restoration Bond.	1/9/2013 3:27:30 PM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.	1/9/2013 3:27:25 PM

Total: 7 comment(s)

BMP

Type	Comment

Total: 0 comment(s)