

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:

400355272

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) 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: State Well Number: 23-16

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 8049

## WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 16 Twp: 3N Rng: 68W Meridian: 6Latitude: 40.226410Longitude: -105.012120

Footage at Surface: 2441 feet FNL 1461 feet FWL  
 FNL/FSL FEL/FWL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 5073 13. County: WELD

## 14. GPS Data:

Date of Measurement: 06/04/2012 PDOP Reading: 1.6 Instrument Operator's Name: RICE15. 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  
1980 FSL 1980 FWL 1980 FSL 1980 FWL  
 Sec: 16 Twp: 3N Rng: 68W Sec: 16 Twp: 3N Rng: 68W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1226 ft18. Distance to nearest property line: 206 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1716 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		80	N/2SW/4
J SAND	JSND		320	S/2
NIOBRARA	NBRR		80	N/2SW/4

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#: 2009001123a. 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):

E2SW4 except part lying north of Highland Ditch

25. Distance to Nearest Mineral Lease Line: 300 ft

26. Total Acres in Lease: 74

### 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	8,049	180	8,049	6,974

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(I).a.(1) exception location as the well head is to be located outside of a GWA drilling window. Request letter and waivers attached.

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 36806 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.

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

- 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.

### **Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

### **Attachment Check List**

Att Doc Num	Name
400355272	FORM 2 SUBMITTED
400364565	WELL LOCATION PLAT
400364566	30 DAY NOTICE LETTER
400364567	MINERAL LEASE MAP
400364569	EXCEPTION LOC REQUEST
400364570	EXCEPTION LOC WAIVERS
400364573	DEVIATED DRILLING PLAN
400364576	DIRECTIONAL DATA

Total Attach: 8 Files

### **General Comments**

User Group	Comment	Comment Date
Final Review	<p>COGCC Response to public comment: The operator has been advised of the receipt of the comment from a concerned adjacent landowner. COGCC recommends that the operator contact the interested party and attempt to address concerns in and reduce potential for land use conflicts.</p> <p>In accordance with COGCC Rule 305.e., notice to surface property owners within 500 feet of a proposed Oil and Gas Location is not required with the Greater Wattenberg Area (GWA) defined by Rule 318A. This proposed Oil and Gas Location is within the GWA, therefore the notice was not required and not sent; however, the operator is required to post notice of their intended operations in the form of a sign at the access point 30 days prior to commencement of operation.</p> <p>This application is governed by the Rules in effect at the time of application. The current COGCC Rules (603.a.(1)) require a minimum wellhead setback of 150 feet or one and one-half times the height of the derrick to the nearest building unit in areas not determined to be high density. In accordance with Rule 603.b. and 603.c., this location is not in a high density area and the minimum setback is met. Production facilities, including tanks, separators and other specific equipment must be placed a minimum of 200 feet from existing buildings; the attached Location Drawing demonstrates compliance with this requirement.</p> <p>COGCC statutory authority and Rules address only the placement of wells and oil and gas facilities with respect to existing or permitted structures; COGCC does not regulate the current or future land use surrounding oil and gas operations. COGCC does not enforce private contractual agreements.</p> <p>COGCC statutory authority and Rules do not require operators to consult with surrounding property owners. By Rule, surrounding property owners may rely on their Local Government Designee (LGD) to facilitate consultation on the location of roads, production facilities and well sites (306.a.(1)). The proposed Oil and Gas Location is located in Weld County; no comments or consultation requests were received from the Weld County LGD within the comment period. The proposed Oil and Gas Location are in an area of Weld County zoned for Agriculture, which includes oil and gas activity as a use by right. The operator did engage in meaningful consultation with the Town of Mead, and agreed to certain operational requirements that can be found on attached correspondence.</p> <p>COGCC has placed Conditions of Approval (COAs) on this Oil and Gas Location Assessment Form 2A to address concerns identified during the comment period. COAs address dust, timing, site security, noise, and facility layout.</p>	2/15/2013 6:57:56 PM
Permit	Final Review Completed. Public comment addressed on Form 2A doc number 400361026 (Response duplicated here); no LGD comment received.	2/11/2013 12:52:49 PM
Engineer	<p>LOCATION: SE1/4 OF NW1/4 OF SEC. 16, T.3n., R.68W. (2441 NSL, 1461 WSL)</p> <p>Ground Elevation: 5073 Number of Acres: 160</p> <p>ELEVATION DEPTH TO ANNUAL ----- NET ----- APPROP STATUS AQUIFER BOT. TOP SAND BOT. TOP A-F -----</p> <p>UPPER DAWSON ---- - LOWER DAWSON ---- - DENVER ---- - UPPER ARAPAHOE ---- - LOWER ARAPAHOE ---- - LARAMIE-FOX HILLS ---- -</p>	1/28/2013 4:28:19 PM

Public	Please see comments filed under 400355271 and 400360332 that relate to State 1A-1H - 16H and 23-16 wells and facilities.	1/21/2013 2:45:27 PM
Permit	Changed spacing to N2SW4 Sec. 16 T3N, R68W for the NB-CD and the S2 Sec. 16 T3N, R68W for the J Sand per operator. ok to pass.	1/15/2013 11:43:20 AM
Permit	Surface Restoration Bond on file with SLB; per Tim Kelly.	1/10/2013 11:27:12 AM
Permit	ON HOLD: requesting confirmation of spacing. Emailed Tim Kelly and Sherry Lee at SLB for verification of Surface Restoration Bond.	1/9/2013 1:11:25 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 1:11:24 PM

Total: 8 comment(s)

### **BMP**

Type

Comment

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Total: 0 comment(s)