

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:

12/28/2012

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) 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: MATHEWS Well Number: 4E-14H8. Unit Name (if appl): Unit Number: 9. Proposed Total Measured Depth: 11938

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 14 Twp: 1N Rng: 66W Meridian: 6Latitude: 40.045290 Longitude: -104.737350

Footage at Surface: 471 feet FNL/FSL 669 feet FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 9075012. Ground Elevation: 5104 13. County: WELD

14. GPS Data:

Date of Measurement: 12/11/2012 PDOP Reading: 1.9 Instrument Operator's Name: John McGehee15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 747 FSL 879 FEL 460 FEL/FWL 900 FEL
 Sec: 14 Twp: 1N Rng: 66W Sec: 14 Twp: 1N Rng: 66W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 439 ft18. Distance to nearest property line: 471 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 850 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.)
NIOBRARA	NBRR		320	GWA

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):

T1N-R66W: Section 14: All, See attached lease map.

25. Distance to Nearest Mineral Lease Line: 460 ft

26. Total Acres in Lease: 640

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	1,292	162	1,292	0
1ST	8+3/4	7	26	0	7,851	445	7,851	992
2ND	6+1/8	4+1/2	13.5	0	11,938	168	11,938	7,551

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

33. Comments Proposed spacing unit is T1N, R66W, Section 14: E/2

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: 12/28/2012

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: Matthew Lee Director of COGCC Date: 2/21/2013

API NUMBER

05 123 36838 00

Permit Number: _____ Expiration Date: 2/20/2015

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)Provide notice of MIRU via an electronic Form 42.

2)Comply with Rule 317.i and provide cement coverage to a minimum of 200' above the Niobrara. Verify cement coverage with a cement bond log per 317.o.

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
1695560	PROPOSED SPACING UNIT
2482086	SURFACE CASING CHECK
400348460	FORM 2 SUBMITTED
400362564	DEVIATED DRILLING PLAN
400362566	MINERAL LEASE MAP
400362619	DIRECTIONAL DATA
400362736	WELL LOCATION PLAT
400364409	30 DAY NOTICE LETTER
400364415	VARIANCE REQUEST

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Per operator: removed surface bond.	2/21/2013 1:32:20 PM
Permit	Final Review Completed. No LGD or public comment received.	2/20/2013 2:16:04 PM
Permit	Received and attached corrected 30 day cert letter. changed unit acreage from 480 to 320 per operator. ok to pass.	2/20/2013 2:16:03 PM
Permit	ON HOLD: Proposed Spacing unit acreage for all the wells on this pad is 480 acres, but the declared units are only 320 acres.	2/14/2013 11:42:13 AM
Permit	Received correct mineral lease description. Confirmed surface owner is mineral owner is yes. No signature on lease. Surface blanket bond & Surface Surety # is correct. Received and attached corrected Proposed Spacing Unit. ok to pass.	2/5/2013 10:45:43 AM
Permit	ON HOLD: Requesting lease description of all 5737 acres. Confirmation that surface owner is mineral owner is yes. Then request removal of bond. Request Proposed Spacing Unit with bottom hole indicated. Confirm distance to nearest well. Form 2A received.	1/28/2013 11:58:57 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.	1/28/2013 11:54:26 AM
Permit	ON HOLD: w/o form 2A.	1/14/2013 1:30:19 PM
Engineer	Evaluated offset wells for adequate cement coverage.	1/10/2013 2:33:43 PM
Permit	operator amended items #1 and #2. This form passed completeness.	1/4/2013 12:04:23 AM
Permit	Return to draft: 1. 30 day notice attachment contains superfluous info. (proposed space units for all wells); remove info. not pertaining to Mathews 4E-14H, 2. exception loc. request attachment references well in the SWSE, which does not match plat.	12/30/2012 2:08:18 PM

Total: 11 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)