

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:

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Date Received:

12/20/2012

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: State Well Number: 1E-16H

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

9. Proposed Total Measured Depth: 11797

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 16 Twp: 3N Rng: 68W Meridian: 6Latitude: 40.228840Longitude: -105.000250

Footage at Surface: 1593 feet FNL/FSL 465 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 5016 13. County: WELD

14. GPS Data:

Date of Measurement: 12/01/2012 PDOP Reading: 2.0 Instrument Operator's Name: RICE15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1552 FNL 772 FEL 1500 FNL 460 FEL FWL
 Bottom Hole: FNL/FSL 1500 FNL 460 FEL 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: 451 ft18. Distance to nearest property line: 414 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 407 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 #: 139222. 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):

N2 Sec. 16 T3N, R68W, Weld County, Colorado.

25. Distance to Nearest Mineral Lease Line: 460 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
CONDUCTOR	22	16	30	0	80	80	80	0
SURF	12+1/4	9+5/8	40	0	800	100	800	0
1ST	8+3/4	7	26	0	7,770	440	7,770	500
2ND	6+1/8	4+1/2	13.5	0	11,797	166	11,797	7,470

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

33. Comments 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. Encana also requests the approval of the omission of open hole logs, request letter attached. Proposed spacing unit is N/2 Sec. 16 T3N, R68W.

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: 12/20/2012 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: 2/22/2013

API NUMBER

05 123 36851 00

Permit Number: _____ Expiration Date: 2/21/2015

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 end of 7" casing 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.

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

Attachment Check List

Att Doc Num	Name
1695420	EXCEPTION LOC WAIVERS
1695421	PROPOSED SPACING UNIT
1695505	CORRESPONDENCE
1772242	SURFACE CASING CHECK
400360329	FORM 2 SUBMITTED
400360750	WELL LOCATION PLAT
400360751	30 DAY NOTICE LETTER
400360753	DEVIATED DRILLING PLAN
400360754	DIRECTIONAL DATA
400361062	EXCEPTION LOC REQUEST
400361067	OTHER
400361068	MINERAL LEASE MAP

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Removed comment stating that the wellbores cross any lease lines. Changed distance to nearest lease line from 0' to 460' per operator. ok to pass.	2/22/2013 8:28:27 AM
Permit	Final Review Completed. Public comment addressed (see form 2A doc 400361026); no LGD comment received.	2/19/2013 8:46:07 AM
Permit	The comment period was extended to January 22 per request of Weld County LGD. Related correspondence from the Town of Mead is attached. Surface Restoration Bond on file with SLB; per Tim Kelly. ok to pass.	2/5/2013 2:31:54 PM
Public	Please see same comments filed for 400355271 and 400360332 for State 1A-1H-16H wells and facilities.	1/21/2013 2:33:00 PM
Permit	Received and attached signed Exception Loc Waiver & Proposed Spacing Unit map. Added State Mineral lease number 1392. Form 2A doc #400361026 State SENE 1D-16H-3-68 has been submitted.	1/15/2013 1:45:17 PM
Permit	Comment period extended 10 days until January 22 at the request of Weld County LGD.	1/11/2013 3:33:32 PM
Permit	ON HOLD: Requesting signed Exception Loc Waiver and Proposed Spacing Unit map. State Mineral lease number & form 2A. Emailed Tim Kelly and Sherry Lee at SLB for verification of Surface Restoration Bond.	1/9/2013 2:23:08 PM
Permit	Operator's request for omission of open hole logs.	1/9/2013 2:22:27 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 2:22:26 PM
Permit	Horizontal wellbore crosses lease line within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	1/9/2013 2:22:25 PM
Permit	This form passed completeness.	12/23/2012 3:09:24 PM

Total: 11 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
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.
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.

Total: 2 comment(s)