

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:

400375024

Date Received:

02/22/2013

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: Bonnie Lamond Phone: (720)876-5156 Fax: (720)876-6177

Email: bonnie.lamond@encana.com

7. Well Name: Hagen Federal Well Number: 22-1A (PC22)

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

9. Proposed Total Measured Depth: 8799

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 22 Twp: 7S Rng: 95W Meridian: 6

Latitude: 39.428497 Longitude: -107.986411

Footage at Surface: 642 feet FNL 1797 feet FWL

11. Field Name: Parachute Field Number: _____

12. Ground Elevation: 6521 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 01/21/2013 PDOP Reading: 0.0 Instrument Operator's Name: Ted T. Taggart

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
133 FNL 464 FEL 133 FNL 464 FEL
Sec: 22 Twp: 7S Rng: 95W Sec: 22 Twp: 7S Rng: 95W

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: 1200 ft

18. Distance to nearest property line: 521 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 320 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | 440-62 | | |

21. Mineral Ownership: Fee State Federal Indian Lease #: COC01524

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):

T7S R95W SEC 15: W2NW, NWSW, SESE SEC 16: E2E2, SWSE, SESW SEC 22: LOT 1 (NENE, 38.98)

25. Distance to Nearest Mineral Lease Line: 133 ft 26. Total Acres in Lease: 439

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 | 24 | 20 | .25" wall | 0 | 40 | 50 | 40 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,513 | 527 | 1,513 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 8,799 | 696 | 8,799 | 0 |

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

33. Comments Nearest distance to building is 1200 feet. The subject well will have a tapered drilling plan. The surface string will drill from 0-200' with a hole size of 14-3/4 (in) and casing size of 9-5/8 (in). Surface casing will continue from 200'-1513' with a hole size of 12-1/4 (in) and casing size of 9-5/8 (in).

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: Bonnie Lamond

Title: Permitting Technician Date: 2/22/2013 Email: bonnie.lamond@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: 4/18/2013

API NUMBER **05 045 22016 00** Permit Number: _____ Expiration Date: 4/17/2015

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.

(3) EMAIL NOTIFICATION SHALL BE SENT TO COGCC FIELD INSPECTION STAFF, AT THE TIME OF SPUD NOTICE, TO IDENTIFY THE WELL'S LOCATION WITH RESPECT TO BOTH THE SECTOR AND TIER AS DEFINED BY THE RULISON SAMPLING AND ANALYSIS PLAN. EMAIL: Shaun.Kellerby@state.co.us, Mike.Longworth@state.co.us, and Rulison.Submittal@state.co.us

(4) OPERATOR SHALL COMPLY WITH ALL PROVISIONS OF THE MOST RECENT COGCC-APPROVED REVISION OF THE RULISON SAMPLING AND ANALYSIS PLAN. IN ADDITION TO THE PRODUCED-WATER SAMPLING AND ANALYSIS OUTLINED IN SECTION 5.8 OF THE PLAN, THE OPERATOR SHALL ALSO OBTAIN AND ANALYZE PRODUCED-WATER SAMPLES ON WELLS DESCRIBED IN THE PLAN FOR CONSTITUENTS LISTED IN THE PLAN USING THE SPECIFIC METHOD WHERE APPLICABLE.

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400375024 | FORM 2 SUBMITTED |
| 400375028 | WELL LOCATION PLAT |
| 400383857 | DIRECTIONAL DATA |
| 400383858 | SURFACE AGRMT/SURETY |
| 400383859 | DEVIATED DRILLING PLAN |
| 400383860 | FED. DRILLING PERMIT |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Engineer | THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 316 FEET DEEP. | 2/27/2013 11:23:39 AM |
| Permit | OK. This well is located within three miles of the Project Rulison well. Email notification of the well has been sent to Rick Hutton with the DOE. | 2/26/2013 9:53:14 AM |
| Permit | Pass completeness. Added spacing order per Bonnie Lamond for Operator. | 2/25/2013 11:40:48 AM |

Total: 3 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|---------------------|---|
| Pre-Construction | Wattles, Silt Fence, Vegetation Buffers, Slash, Topsoil Windrows (diversions & ROP's), Scheduling, Phased Construction |
| Construction | (Not all are used all the time) Terminal Containment, Diversions, Run-On Protection, Tracking, Benching, Terracing, ECM (Erosion Control Mulch), ECB (Erosion Control Blanket), Check Dams, Seeding, Mulching, Water Bars, Stabilized Unpaved Surfaces (Gravel), Stormwater & Snow Storage Containment, Scheduling, Phased Construction, Temporary Flumes, Culverts with inlet & outlet protection, Rip Rap, TRM (Turf Reinforcement Mats), Maintenance, Scheduling, Phased Construction, Fueling BMP's, Waste Management BMP's, Materials Handling BMP's |
| Wildlife | Minimize the number, length and footprint of oil & gas development roads Use existing routes where possible Combine utility infrastructure planning (gas, electric & water) when possible with roadway planning to avoid separate utility corridors Coordinate Employee transport when possible Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors. Maximize use of state-of-the-art drilling technology (e.g., high efficiency rigs, coiled-tubing unit rigs, closed-loop or pitless drilling, etc.) to minimize disturbance. Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed. |
| Interim Reclamation | Maintenance Revegetation Monitoring BMP maintenance & monitoring Weed Management |

Total: 4 comment(s)