

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:

400402960

Date Received:

04/12/2013

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: Alexis Bidgood Phone: (720)876-3074 Fax: ()

Email: Alexis.Bidgood@encana.com

7. Well Name: MCU Well Number: 16-13C (M16W)

8. Unit Name (if appl): Middleton Creek Unit Number: COC068997
X

9. Proposed Total Measured Depth: 11033

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 16 Twp: 7S Rng: 93W Meridian: 6

Latitude: 39.439862 Longitude: -107.783340

Footage at Surface: 543 feet FNL/FSL 1253 feet FEL/FWL FWL

11. Field Name: Mamm Creek Field Number: 52500

12. Ground Elevation: 7887 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 02/04/2013 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 480 FSL 639 FEL/FWL 480 FSL 639 FEL/FWL FWL
Sec: 16 Twp: 7S Rng: 93W Sec: 16 Twp: 7S Rng: 93W

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: 815 ft

18. Distance to nearest property line: 543 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 330 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | 191-83 | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC055604

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-R93W; Sec. 16: W2NE, E2W2, NWNW, SWSW, SE.

25. Distance to Nearest Mineral Lease Line: 640 ft

26. Total Acres in Lease: 480

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 | 16 | 0.25" | 0 | 60 | 50 | 60 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,203 | 444 | 1,203 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 11,033 | 1,044 | 11,033 | 0 |

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

33. Comments TOC > 200' above MVRD. A sundry to change BHL, TD, surface and production casing programs was approved on 03/28/2013. Will be a tapered hole. Conductor casing will change from 0'-40' with a 24" hole and 16" casing to 0-60' with a 24" hole and 16" casing size. Surface casing will go from 0-200' with a hole size of 14-3/4" and casing size of 9-5/8". Surface Casing will continue from 200' to 1203' with a hole size of 12-1/4" and casing size of 9-5/8" Cement volume for surface casing will increase from 386 sx to 444 sx. Production casing will change from 0-11399' with a hole size of 7-7/8" and casing size of 4-1/2" to a tapered hole from 0-7953' with hole size of 8-3/4" and casing size of 4-1/2" It will continue on from 7953' and 11033' with a hole size of 7-7/8" and casing size of 4-1/2", thus decreasing the TD from 11399' to 11033'.

34. Location ID: 422418

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: Alexis Bidgood

Title: Permitting Analyst

Date: 4/12/2013

Email: Alexis.Bidgood@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: 5/18/2013

API NUMBER

05 045 20690 00

Permit Number: _____

Expiration Date: 5/17/2015

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE MAMM CREEK FIELD NOTICE TO OPERATORS IS REQUIRED.

(4) COMPLIANCE WITH THE NOTICE TO OPERATORS DRILLING WELLS IN THE BUZZARD, MAMM CREEK, AND RULISON FIELDS, GARFIELD COUNTY AND MESA COUNTY IS REQUIRED. (PROCEDURES AND SUBMITTAL REQUIREMENTS FOR COMPLIANCE WITH COGCC ORDERS NOS. 1-107, 139-56, 191-22, AND 369-2 (JULY 8, 2010)). SEE ATTACHED NOTICE.

Applicable Policies and Notices to Operators

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|--|
| Mamm Creek Field Area Notice to Operators. |
| Piceance Rulison Field - Notice to Operators. |
| NW Colorado Notification Policy. |
| Bradenhead Pressure Reporting-Garfield County (Mamm Creek & Rulison Fields) Mesa County (Buzzard Field). |
| Notice Concerning Operating Requirements for Wildlife Protection. |

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400402960 | FORM 2 SUBMITTED |
| 400403026 | DIRECTIONAL DATA |
| 400403397 | DEVIATED DRILLING PLAN |
| 400404027 | PLAT |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| LGD | KHW Pass | 4/26/2013 3:46:00 PM |
| Permit | Pending. Operator states Line 22a should read YES. Location is built and no changes because of refiled wells are foreseen. | 4/24/2013 8:30:32 AM |
| 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 00 FEET DEEP. | 4/16/2013 11:27:04 AM |
| Permit | This form has passed completeness. | 4/15/2013 10:50:32 AM |
| Permit | Returned to draft for the following: no well location plat. | 4/15/2013 10:07:56 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|-----------------------|
| | |