

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:

400409220

Date Received:

05/02/2013

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: Shideler Fee Well Number: 31-16A (O31E)

8. Unit Name (if appl): Hunter Mesa Unit Number: COC055972
X

9. Proposed Total Measured Depth: 9690

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 31 Twp: 7S Rng: 92W Meridian: 6

Latitude: 39.396993 Longitude: -107.705640

Footage at Surface: 438 feet FNL/FSL FSL 1888 feet FEL/FWL FEL

11. Field Name: Mamm Creek Field Number: 52500

12. Ground Elevation: 7104 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 11/13/2010 PDOP Reading: 2.9 Instrument Operator's Name: Stacy Stewart

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 959 FSL 340 FEL FEL Bottom Hole: FNL/FSL 959 FSL 340 FEL FEL
Sec: 31 Twp: 7S Rng: 92W Sec: 31 Twp: 7S Rng: 92W

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: 6614 ft

18. Distance to nearest property line: 438 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 300 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 | | | |
| Williams Fork | WMFK | | | |

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

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):

T8S-R92W SECTION 6: LOTS 1, 2, S2NE; T7S-R92W SECTION 31: LOTS 1, 2, E2W2, E2

25. Distance to Nearest Mineral Lease Line: 340 ft 26. Total Acres in Lease: 660

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+0/0 | 16+0/0 | .25" Wall | 0 | 60 | 100 | 60 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,377 | 490 | 1,377 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 9,690 | 746 | 9,690 | 0 |

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

33. Comments Conductor casing will be a tapered hole. Conductor casing will change from 0-60' with a 24" hole and a casing size of 16". Surface casing will go from 0-200' with a hole size of 14-3/4" and a casing size of 9-5/8". Surface casing will continue from 200-1377' and with a hole size of 12-1/4" and a casing size of 9-5/8". Production casing will go from 0-6629' with a hole size of 8-3/4" with a casing size of 4-1/2". Production casing will continue from 6629' - 9690' with a hole size of 7-7/8" with a casing size of 4-1/2".

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: Alexis Bidgood

Title: Permitting Analyst Date: 5/2/2013 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: 6/18/2013

API NUMBER
05 045 22067 00

Permit Number: _____ Expiration Date: 6/17/2015

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

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).

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400409220 | FORM 2 SUBMITTED |
| 400413233 | DIRECTIONAL DATA |
| 400413234 | 30 DAY NOTICE LETTER |
| 400413235 | DEVIATED DRILLING PLAN |
| 400413236 | SURFACE AGRMT/SURETY |
| 400413237 | WELL LOCATION PLAT |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| Engineer | changed conductor cement to reflect "sacks" instead of "CY" | 5/6/2013 12:31:29 PM |
| 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. | 5/6/2013 12:30:48 PM |
| Permit | Pass. Had been pending staff approval.Operator verifies Line 22a. Per Operator: corrected TPZ footages. | 5/6/2013 9:43:44 AM |
| Permit | Pass completeness. Request operator verify entry point into prod zone. | 5/3/2013 9:50:53 AM |

Total: 4 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|---------------------|--|
| Wildlife | <p>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</p> <p>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.</p> |
| Interim Reclamation | <p>Maintenance Revegetation Monitoring BMP maintenance & monitoring Weed Management</p> |
| Pre-Construction | <p>Wattles, Silt Fence, Vegetation Buffers, Slash, Topsoil Windrows (diversions & ROP's), Scheduling, Phased Construction</p> |
| Construction | <p>(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</p> |

Total: 4 comment(s)