

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Date Received:

05/28/2013

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: Erin Hochstetler Phone: (720)876-5827 Fax: ()

Email: erin.hochstetler@encana.com

7. Well Name: Grant Salisbury Well Number: 2B-14H C268

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

9. Proposed Total Measured Depth: 13388

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 14 Twp: 2N Rng: 68W Meridian: 6

Latitude: 40.142340 Longitude: -104.973830

Footage at Surface: 1348 feet FNL 1660 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4887 13. County: WELD

14. GPS Data:

Date of Measurement: 05/03/2013 PDOP Reading: 2.0 Instrument Operator's Name: JOHN RICE

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 _____
868 FNL 439 FWL 460 FNL 400 FWL
Sec: 14 Twp: 2N Rng: 68W Sec: 11 Twp: 2N Rng: 68W

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: 724 ft

18. Distance to nearest property line: 72 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 85 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		400	GWA

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):
 T2N, R68W Section 14: E/2NW/4 and other lands. Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 400

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	7,868	446	7,868	500
2ND	6+1/8	4+1/2	13.5	0	13,388	222	13,388	7,568

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

33. Comments Encana requests the approval of a 318A(l).a.(1), 318A(l).c(1) and 603.a(2) exception location as the well head is to be located outside of a GWA drilling window, further than 50' from an existing well and closer than 150' to a property line. Request letter and waivers attached. This well is closer than 150' to the nearest permitted or producing BHL. A 318A.m. variance request letter and waivers are attached. Encana also requests the approval of the omission of open hole logs, request letter attached. Proposed spacing unit is T2N R68W Sec 10 E/2E/2, Sec 11: W/2W/2, Sec 14: NW/4NW/4, Sec 15: NE/4NE/4. Horizontal wellbore crosses lease line within GWA spacing unit. The distance to nearest well permitted/completed in the same formation (BHL) was measured from the Salisbury 13-11, API #: 05-123-26243.

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: 5/28/2013 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: 7/3/2013

API NUMBER Permit Number: _____ Expiration Date: 7/2/2015

API NUMBER
05 123 37658 00

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 and from 200' below Shannon to 200' above Sussex. 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
1695724	MINERAL LEASE MAP
1695734	SURFACE AGRMT/SURETY
400414127	FORM 2 SUBMITTED
400422352	30 DAY NOTICE LETTER
400422354	DEVIATED DRILLING PLAN
400422358	EXCEPTION LOC REQUEST
400422362	PROPOSED SPACING UNIT
400422364	WELL LOCATION PLAT
400422367	OTHER
400422371	DIRECTIONAL DATA
400423623	VARIANCE REQUEST
400424392	EXCEPTION LOC WAIVERS
400424400	OFFSET WELL EVALUATION

Total Attach: 13 Files

General Comments

User Group	Comment	Comment Date
Permit	attached SUA. Final Review Completed. No LGD or public comment received.	7/1/2013 8:38:17 AM
Permit	Attached updated mineral map. Per operator changed total acres from 380 to 400 acres. Surface owner is mineral owner, is committed to an O&G lease, but no signature on O&G lease. removed surface bond. ON HOLD: requesting SUA.	6/27/2013 11:03:15 AM
Permit	Request for 603.b under Exception loc request. Waiver under Exception loc waiver. ON HOLD: Requesting clarification about Surface owner is the Mineral owner is yes, but operator is using bonding.	3/4/2013 3:01:28 PM
Permit	Operator requests approval of a Rule 318Ac exception location: Wellhead is to be located more than 50' from an existing well location. Request and waiver attached.	3/4/2013 3:01:26 PM
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.	3/4/2013 3:01:25 PM
Permit	Operator's request for omission of open hole logs.	3/4/2013 3:01:25 PM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	3/4/2013 3:01:24 PM
Permit	This form has passed completeness.	5/29/2013 1:45:04 PM

Total: 8 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)