

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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06/06/2013

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) INC4. COGCC Operator Number: 1001855. Address: 370 17TH ST STE 1700City: DENVER State: CO Zip: 80202-56326. Contact Name: Bonnie Lamond Phone: (720)876-5156 Fax: (720)876-6177Email: bonnie.lamond@encana.com7. Well Name: Frederiksen Well Number: 1E-28H-A3688. Unit Name (if appl): Unit Number: 9. Proposed Total Measured Depth: 11609

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 28 Twp: 3N Rng: 68W Meridian: 6Latitude: 40.201490 Longitude: -104.999270

Footage at Surface: 957 feet FNL 250 feet FEL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4992 13. County: WELD

14. GPS Data:

Date of Measurement: 03/21/2013 PDOP Reading: 1.6 Instrument Operator's Name: John Rice15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 1452 FNL 606 FEL 1400 FNL 460 FEL
 Sec: 28 Twp: 3N Rng: 68W Sec: 28 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: 233 ft18. Distance to nearest property line: 250 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 208 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		320	GWA

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: 22. 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):

Sec 28: NE/4, E/2NW4, W/2NW/4, totaling 320 acres.

25. Distance to Nearest Mineral Lease Line: 0 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	
SURF	12+1/4	9+5/8	40	0	800	100	800	
1ST	8+3/4	7	26	0	7,383	417	7,383	500
2ND	6+1/8	4+1/2	13.5	0	11,608	173	11,608	7,083

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

33. Comments Encana Oil & Gas (USA) Inc. 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 Oil & Gas (USA) Inc. also requests the approval of the omission of open hole logs, request letter attached. Proposed spacing unit is N/2 sec. 28. 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 Frederiksen 1, API #: 05-123-09731.

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: 6/6/2013 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: 7/3/2013

API NUMBER

05 123 37665 00

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

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
1695705	OTHER
400420861	FORM 2 SUBMITTED
400430243	DEVIATED DRILLING PLAN
400430244	OFFSET WELL EVALUATION
400430247	EXCEPTION LOC REQUEST
400430249	PROPOSED SPACING UNIT
400430250	WELL LOCATION PLAT
400430252	SURFACE AGRMT/SURETY
400430254	30 DAY NOTICE LETTER
400430255	EXCEPTION LOC WAIVERS
400430260	DIRECTIONAL DATA

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	7/3/2013 2:39:41 PM
Permit	Changed mineral description to Sec 28: NE/4, E/2NW4, W/2NW/4, totaling 320 acres per operator. ok to pass.	7/3/2013 2:39:39 PM
Permit	ON HOLD: Requesting confirmation of mineral lease.	6/27/2013 4:12:03 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.	6/27/2013 4:11:37 PM
Permit	Operator's request for omission of open hole logs.	6/27/2013 4:11:36 PM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	6/27/2013 4:11:35 PM
Permit	This form has passed completeness.	3/7/2013 3:21:43 PM

Total: 7 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 well path 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)