

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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06/28/2013

PluggingBond SuretyID

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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: Chris McRickard Phone: (720)876-5586 Fax: (720)876-6584

Email: chris.mcrickard@encana.com

7. Well Name: VOGL-MCCOY Well Number: 2F-5H-F267

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

9. Proposed Total Measured Depth: 15142

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 5 Twp: 2N Rng: 67W Meridian: 6

Latitude: 40.168110 Longitude: -104.915060

Footage at Surface: 2597 feet FNL/FSL 2363 feet FEL/FWL
 FNL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4860 13. County: WELD

14. GPS Data:

Date of Measurement: 04/03/2013 PDOP Reading: 1.8 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
 2551 FSL 1786 FWL 460 FSL 1820 FWL
 Sec: 5 Twp: 2N Rng: 67W Sec: 8 Twp: 2N Rng: 67W

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: 1372 ft

18. Distance to nearest property line: 214 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 156 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | | 560 | 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):

2N-67W Sec. 5: NW/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: 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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| 1ST | 8+3/4 | 7 | 26 | 0 | 7738 | 438 | 7738 | 500 |
| 2ND | 6+1/8 | 4+1/2 | 13.5 | 0 | 15142 | 293 | 15142 | 7438 |
| CONDUCTOR | 22 | 16 | 30 | 0 | 80 | 80 | 80 | 0 |
| SURF | 12+1/4 | 9+5/8 | 40 | 0 | 800 | 100 | 800 | 0 |
| | | | | | | | | |

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

33. Comments - Encana requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached.- Encana requests the approval of the omission of open hole logs; request letter attached.- Proposed spacing unit is 2N-67W S2NW & SW Sec 5; W2 Sec 8.- Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is greater than 460'. -The distance to nearest well permitted/completed in the same formation (BHL) is found on page 10 of the Anti-Collision report.

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: Chris McRickard

Title: Permitting Analyst

Date: 6/28/2013

Email: chris.mcrickard@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: 8/7/2013

API NUMBER

05 123 37779 00

Permit Number: _____ Expiration Date: 8/6/2015

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.

| COA Type | Description |
|----------|--|
| | 1)Provide notice of MIRU via an electronic Form 42 2)Comply with Rule 317.i and provide cement coverage a minimum of 200' above the Niobrara. Verify cement coverage with a cement bond log per Rule 317.o. |

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 |
|-------------|------------------------|
| 1695766 | EXCEPTION LOC REQUEST |
| 1695767 | EXCEPTION LOC WAIVERS |
| 400425658 | FORM 2 SUBMITTED |
| 400439561 | DIRECTIONAL DATA |
| 400439563 | DEVIATED DRILLING PLAN |
| 400439574 | WELL LOCATION PLAT |
| 400439580 | 30 DAY NOTICE LETTER |
| 400439584 | PROPOSED SPACING UNIT |
| 400439587 | OTHER |
| 400440485 | OFFSET WELL EVALUATION |

Total Attach: 10 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---|-------------------------|
| Permit | Final Review Completed. No LGD or public comment received. | 8/7/2013 11:26:35 AM |
| Engineer | Evaluated offset wells for adequate coverage. | 7/24/2013 1:37:43 PM |
| Permit | Per operator changed Mineral lease description from W/2 to "2N-67W Sec. 5: NW/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'." Attached Exception to 318A.a & 318A.c Exception Loc & Twinning Request and waiver. ok to pass. | 7/10/2013 9:34:23 AM |
| Permit | ON HOLD: Request correction to Mineral lease description total acres. Requesting Exception to 318A.a & 318A.c Exception Loc & Twinning Request and waiver. | 7/9/2013 11:04:34 AM |
| Permit | Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached. | 7/9/2013 11:04:33 AM |
| Permit | Operator's request for omission of open hole logs. | 7/9/2013 11:04:32 AM |
| Permit | Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'. | 7/9/2013 11:04:31 AM |
| Permit | Form passes completeness. | 7/1/2013 3:35:49 PM |

Total: 8 comment(s)

Best Management Practices

| No | BMP/COA Type | Description |
|----|--------------------------------|---|
| 1 | 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. |
| 2 | 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. |

Total: 2 comment(s)