

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:

400445649

Date Received:

07/26/2013

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: File Well Number: 3H-32H K268

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

9. Proposed Total Measured Depth: 14122

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 32 Twp: 2N Rng: 68W Meridian: 6
Latitude: 40.092580 Longitude: -105.031050

Footage at Surface: 1763 feet FSL 1638 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4958 13. County: WELD

14. GPS Data:

Date of Measurement: 05/22/2013 PDOP Reading: 2.4 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 _____
1243 FSL 2382 FWL 460 FSL 2500 FWL
Sec: 32 Twp: 2N Rng: 68W Sec: 5 Twp: 1N 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: 296 ft

18. Distance to nearest property line: 301 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 222 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		480	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):

See attached mineral lease map. Horizontal Wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is at least 460'.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 256

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	7972	452	7972	500
2ND	6+1/8	4+1/2	13.5	0	14122	246	14122	7672

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

33. Comments Encana requests the approval of a 318A.a.(1) and 318A.c(1) exception location as the well head is to be located outside of a GWA drilling window and further than 50' from an existing well. Request letter and waivers attached. Encana requests the approval of the omission of open hole logs; request letter attached. Proposed spacing unit is E/2SW/4, W/2SE/4 Section 32 T2N-R68W, E/2W/2, W/2E/2 Section 5 T1N-R68W. The distance to nearest well permitted/completed in the same formation (BHL) is the Brown 5-3, API # 05-123-19070.

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: 7/26/2013 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: 9/16/2013

API NUMBER
05 123 38050 00

Permit Number: _____ Expiration Date: 9/15/2015

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) 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
1695845	PROPOSED SPACING UNIT
400445649	FORM 2 SUBMITTED
400446539	WELL LOCATION PLAT
400446545	DEVIATED DRILLING PLAN
400446548	EXCEPTION LOC WAIVERS
400446553	DIRECTIONAL DATA
400450232	OFFSET WELL EVALUATION
400450233	30 DAY NOTICE LETTER
400450234	OTHER
400450237	EXCEPTION LOC REQUEST
400456329	MINERAL LEASE MAP

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.	9/13/2013 4:03:54 PM
Engineer	Offset Evaluation complete	9/12/2013 3:21:53 PM
Permit	Received and attached corrected 30 Day Cert Letter & PSU. ok to pass.	8/22/2013 1:23:31 PM
Permit	Requesting corrected 30 Day Cert Letter & PSU.	8/19/2013 12:59:38 PM
Permit	Per the request of the Weld Cty LGD the Public Comment period has been extended 10 days to 8/28/2013.	8/19/2013 12:59:10 PM
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.	8/19/2013 12:59:07 PM
Permit	Operator's request for omission of open hole logs.	8/19/2013 12:59:06 PM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	8/19/2013 12:59:05 PM
LGD	Mineral owner David Yardley (970) 669-3358 has asked the Weld LGD to request an extension of the permit comment period so that he can submit a protest to the COGCC regarding the producing zone locations for this and the 15 other File 3C wells.	8/13/2013 2:47:31 PM
Permit	Passes Completeness. Changed Unit Acreage to 480, with Operator's consent. Operator states acreage quoted on Spacing Unit letter (doc # 4010450236) should also be 480 acres,	7/29/2013 12:55:52 PM

Total: 10 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
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)