

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



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07/24/2013

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

Email: chris.mcrickard@encana.com

7. Well Name: McConahay Well Number: 1B-34H-H266

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

9. Proposed Total Measured Depth: 12144

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 34 Twp: 2n Rng: 66w Meridian: 6

Latitude: 40.098020 Longitude: -104.757730

Footage at Surface: 1437 feet FNL/FSL 1115 feet FEL/FWL
 FNL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5060 13. County: WELD

14. GPS Data:

Date of Measurement: 07/15/2013 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
 547 FNL 1235 FEL 1225 FNL 460 FWL
 Sec: 34 Twp: 2n Rng: 66w Sec: 34 Twp: 2n Rng: 66w

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: 1144 ft

18. Distance to nearest property line: 214 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 59 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		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):

T2N R66W SEC 34: E/2E/2, except the north 260 feet thereof containing 7.88 acres, more or less (See attached 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: 152

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	1096	137	1096	0
1ST	8+3/4	7	26	0	8007	454	8004	796
2ND	6+1/8	4+1/2	13.5	0	12144	170	12144	7704

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

33. Comments - Encana requests the approval of a 318A.c.(1) exception location as the well head is to be located further than 50' from an existing well. Request letter attached. - This well is closer than 150' to the nearest permitted or producing BHL. A 318A.m. exception location request letter attached.- Encana requests the approval of the omission of open hole logs; request letter attached.- Proposed spacing unit is T2N R66W SEC 34: N/2- The distance to nearest well permitted/completed in the same formation (BHL) is found on page 8 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: 7/24/2013

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: _____

Director of COGCC

Date: 9/17/2013

API NUMBER

05 123 38058 00

Permit Number: _____

Expiration Date: 9/16/2015

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
	Operator acknowledges the proximity of the following wells: Conner 22-34 API # 123-11430, Conner 23-34 API # 123-11470, Darlenne 1 API # 123-10002, Erica 1 API # 123-09996, McConahay 1 API # 123-09005, Rancho 1 API # 123-08576, Rancho 32-34 API # 123-15070. Operator agrees to: provide mitigation option 1, 2 or 3 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.
	Operator must meet water well testing requirements per Rule 318A.
	Note: Request for omission of Open Hole Logging not accepted. A full suite of open hole logs is required for one well on this pad. Operator will place an explicit comment on the Drilling Completion Report documenting which well on this pad was logged with a full suite of open hole logs.
	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 the Sussex 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.

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
2114248	REFERENCE AREA PICTURES
2114250	DEVIATED DRILLING PLAN
400446597	FORM 2 SUBMITTED
400449782	CONSULT NOTICE
400449784	WELL LOCATION PLAT
400449790	OTHER
400449792	MINERAL LEASE MAP
400453626	OFFSET WELL EVALUATION
400453654	EXCEPTION LOC WAIVERS
400453655	EXCEPTION LOC REQUEST
400454286	PROPOSED SPACING UNIT
400454848	SURFACE AGRMT/SURETY
400470715	DIRECTIONAL DATA

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received and attached corrected Variance Request letter. Operator sent revised Deviated Drilling Plan and Directional Data. New TPZ footages are greater than 460' from unit boundary. Corrected line 15, TPZ footages, to reflect new drilling plan. Ready to pass pending public comment.	8/20/2013 11:13:19 AM
Permit	Incorrect well name on Variance Request. Should be McConahay 31-34. TPZ at 437 FNL is too close to north boundary of spacing unit.	8/16/2013 2:54:21 PM
Permit	This form has passed completeness.	7/25/2013 7:36:39 AM

Total: 3 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	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.
2	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)