

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:

400445650

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: 3I-32H K268

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

9. Proposed Total Measured Depth: 11227

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 32 Twp: 2N Rng: 68W Meridian: 6

Latitude: 40.092570 Longitude: -105.031000

Footage at Surface: 1757 feet FNL/FSL 1653 feet FEL/FWL  
FSL 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  
1759 FSL 170 FWL 460 FNL 50 FWL  
Sec: 32 Twp: 2N Rng: 68W Sec: 32 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: 311 ft

18. Distance to nearest property line: 316 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 76 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 ☐ 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             | 8109          | 461       | 8109    | 500     |
| 2ND         | 6+1/8        | 4+1/2          | 13.5  | 0             | 11227         | 131       | 11227   | 7809    |

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. This well is closer than 150' to the nearest permitted or producing BHL. A 318A.m. variance request letter and waivers are attached. Encana requests the approval of the omission of open hole logs; request letter attached. Proposed spacing unit is E/2E/2 Section 31, W/2W/2 Section 32. The distance to nearest well permitted/completed in the same formation (BHL) is the Ray Nelson 0-4-32, API # 05-123-30852.

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: 9/17/2013

API NUMBER

05 123 38072 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   |
|----------|---|
|          | 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU..<br>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.<br>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                   |
|-------------|------------------------|
| 400445650   | FORM 2 SUBMITTED       |
| 400446575   | WELL LOCATION PLAT     |
| 400446576   | DEVIATED DRILLING PLAN |
| 400446577   | EXCEPTION LOC WAIVERS  |
| 400446578   | DIRECTIONAL DATA       |
| 400450239   | OFFSET WELL EVALUATION |
| 400450240   | 30 DAY NOTICE LETTER   |
| 400450242   | OTHER                  |
| 400450243   | PROPOSED SPACING UNIT  |
| 400450244   | VARIANCE REQUEST       |
| 400450245   | EXCEPTION LOC REQUEST  |
| 400456333   | MINERAL LEASE MAP      |

Total Attach: 12 Files

## General Comments

| <u>User Group</u> | <u>Comment</u>  | <u>Comment Date</u>      |
|-------------------|---|--------------------------|
| Permit            | Final Review Completed. No LGD or public comment received.  | 9/17/2013<br>3:02:58 PM  |
| Engineer          | Offset Evaluation complete  | 9/12/2013<br>3:22:52 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<br>10:19:42 AM |
| 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.  | 8/19/2013<br>10:19:41 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.            | 8/19/2013<br>10:19:40 AM |
| Permit            | Operator's request for omission of open hole logs.  | 8/19/2013<br>10:19:38 AM |
| 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<br>10:19:37 AM |
| 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<br>2:48:33 PM  |
| Permit            | Passes Completeness.  | 7/29/2013<br>1:07:21 PM  |

Total: 9 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)