

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400447468

Date Received:

07/25/2013

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: Grant Hurt Well Number: 1F-14H G268

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

9. Proposed Total Measured Depth: 14353

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 14 Twp: 2N Rng: 68W Meridian: 6

Latitude: 40.139280 Longitude: -104.966560

Footage at Surface: 2449 feet FNL 1549 feet FEL
FNL/FSL FEL/FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4888 13. County: WELD

14. GPS Data:

Date of Measurement: 07/01/2013 PDOP Reading: 1.3 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
1963 FNL 851 FEL 460 FNL 830 FEL
Sec: 14 Twp: 2N Rng: 68W Sec: 11 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: 1324 ft

18. Distance to nearest property line: 205 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 70 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		240	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: 142

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	7538	426	7538	500
2ND	6+1/8	4+1/2	13.5	0	14352	271	14352	7238

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 T2N R68W Section 11: E/2E/2, Section 14 E/2NE/4. The distance to nearest well permitted/completed in the same formation (BHL) is the Hurt 43-11, API # 05-123-29287.

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: 7/25/2013 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: 9/25/2013

API NUMBER
05 123 38131 00

Permit Number: _____ Expiration Date: 9/24/2015

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.

Description

Operator must meet water well testing requirements per Rule 318A.

- 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 acknowledges the proximity of the non-operated Grant Brothers 1 (API # 123-07824) well. Operator assures that this offset will be remediated per the DJ Basin Horizontal Offset Policy (options 1 or 2) or operator will address this well with mitigation option 4. Operator will 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.

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

<u>Att Doc Num</u>	<u>Name</u>
1695880	DEVIATED DRILLING PLAN
400447468	FORM 2 SUBMITTED
400447714	WELL LOCATION PLAT
400447720	DIRECTIONAL DATA
400453244	OFFSET WELL EVALUATION
400453245	30 DAY NOTICE LETTER
400453248	SURFACE AGRMT/SURETY
400453252	OTHER
400453253	PROPOSED SPACING UNIT
400453254	VARIANCE REQUEST
400453256	EXCEPTION LOC REQUEST
400453257	EXCEPTION LOC WAIVERS
400455752	MINERAL LEASE MAP
400484801	DIRECTIONAL DATA

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	9/24/2013 9:36:11 AM
Permit	Received and attached corrected deviated drilling plan & directional data. Changed TOZ footage to 1963' FNL and 851' FEL per operatorl. ok to pass.	9/24/2013 9:35:21 AM
Permit	ON HOLD: requesting corrected 30 day cert letter and PSU map or TOZ.	9/18/2013 3:44:26 PM
Permit	Per operator "The current well placement was not objected to." ok to pass.	9/12/2013 10:28:37 AM
Permit	ON HOLD: w/o operator to clear Whitewing Resources' objection.	9/3/2013 10:23:53 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.	9/3/2013 9:57:20 AM
Permit	Operator's request for omission of open hole logs.	9/3/2013 9:57:18 AM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	9/3/2013 9:57:17 AM
Permit	ON HOLD: w/o operator to clear Whitewing Resources' objection.	8/22/2013 9:20:18 AM
Permit	Form passes completeness.	7/26/2013 1:02:04 PM

Total: 10 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)