

FORM  
2

Rev  
08/13

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:  
400528077

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
12/23/2013

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_

Refilling

ZONE TYPE    SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Sidetrack

Well Name: McConahay      Well Number: 4E-34H-P266  
Name of Operator: ENCANA OIL & GAS (USA) INC      COGCC Operator Number: 100185  
Address: 370 17TH ST STE 1700  
City: DENVER      State: CO      Zip: 80202-5632  
Contact Name: Chris McRickard      Phone: (720)876-5586      Fax: (720)876-6584  
Email: chris.mcrickard@encana.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100017

WELL LOCATION INFORMATION

QtrQtr: SESE      Sec: 34      Twp: 2N      Rng: 66W      Meridian: 6  
Latitude: 40.089090      Longitude: -104.756180

Footage at Surface:      FNL/FSL      FEL/FWL  
658 feet      FSL      685 feet      FEL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 5077      County: WELD

GPS Data:

Date of Measurement: 12/11/2013    PDOP Reading: 2.1    Instrument Operator's Name: John Rice

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  
65    FSL      645    FEL      50    FSL      460    FWL  
Sec: 34    Twp: 2N    Rng: 66W      Sec: 34    Twp: 2N    Rng: 66W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership:     Fee       State       Federal       Indian

The Surface Owner is:     is the mineral owner beneath the location.

(check all that apply)     is committed to an Oil and Gas Lease.

has signed the Oil and Gas Lease.

is the applicant.

The Mineral Owner beneath this Oil and Gas Location is:     Fee       State       Federal       Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well:    Yes

The right to construct the Oil and Gas Location is granted by:    oil and gas lease

Surface damage assurance if no agreement is in place:      Surface Surety ID: \_\_\_\_\_

## LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

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

Total Acres in Described Lease: 152 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 2672 Feet  
Building Unit: 2672 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 649 Feet  
Above Ground Utility: 715 Feet  
Railroad: 5280 Feet  
Property Line: 646 Feet

### INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).  
- Enter 5280 for distance greater than 1 mile.  
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.  
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

## DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a:  Buffer Zone  
 Exception Zone  
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit  
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.  
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: \_\_\_\_\_

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: \_\_\_\_\_

## SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 570 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

Sec 34 T2N R66W: S/2S/2; Sec 3 T1N R66W: N/2N/2

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR		320	GWA

## DRILLING PROGRAM

Proposed Total Measured Depth: 11896 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 128 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than



## OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number \_\_\_\_\_
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

## OPERATOR COMMENTS AND SUBMITTAL

Comments

- New geologic data indicates that we can more effectively drain the reserves in the area with the addition of this well bores. The additional wellbore will not create an additional surface disturbance to our existing and approved pad location (ID# 331868). The size of the drill pad will remain at the approved 5.5 acres and will be reclaimed down to .5 acre when all drilling and completions activities are done.
- Encana requests the approval of the omission of open hole logs; request letter attached.
- Proposed spacing unit is T2N R66W SEC 34: S/2S/2 & T1N R66W SEC 3: N/2N/2
- The distance to nearest well permitted/completed in the same formation (BHL) is found on page (8) of the Anti-Collision report.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 331868

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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: 12/23/2013 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: 2/14/2014

Expiration Date: 02/13/2016

### API NUMBER

05 123 38942 00

## Conditions Of Approval

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.

<u>COA Type</u>	<u>Description</u>
	<p>Operator acknowledges the proximity of the listed wells. Operator agrees to provide mitigation Option 1 or 2 (per the DJ Basin Horizontal Offset Policy, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42(s) ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API Number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>Conner 23-34 API # 123-11470, Darlenne 1 API # 123-10002, McConahay 43-34 API 123-19637, Rancho 1 API # 123-08576, Seymour 34-34 API 123-19554</p>
	<p>Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Form 5 for every well on the pad shall identify which well was logged.</p>
	<p>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.</p>

## 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)

## 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

<b>Att Doc Num</b>	<b>Name</b>
2114497	OPEN HOLE LOGGING EXCEPTION
400528077	FORM 2 SUBMITTED
400531405	CONSULT NOTICE
400531407	DEVIATED DRILLING PLAN
400531409	MINERAL LEASE MAP
400531412	DIRECTIONAL DATA
400531413	OFFSET WELL EVALUATION
400531416	PROPOSED SPACING UNIT
400531419	SURFACE AGRMT/SURETY
400531422	WELL LOCATION PLAT
400531432	WASTE MANAGEMENT PLAN
400541484	OffsetWellEvaluations Data

Total Attach: 12 Files

### General Comments

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
Permit	Received Open Hole Logging Exception letter. Previously drilled, McConahay 44-34 satisfies the open hole logging requirement. Ready to pass.	2/10/2014 8:56:25 AM
Permit	Received and uploaded Offset Well Evaluation spreadsheet. Waiting on decision regarding open hole logging requirement. Operator wants this waived.	1/16/2014 3:23:48 PM
Permit	Checked surface owner is mineral owner box. Changed right to construct to oil and gas lease. Corrected distance to mineral lease line to 0. Offset well evaluation not uploaded. Attached as PDF only. Requested spreadsheet to upload. Added spacing unit description to comments. Added Unit Acreage and Unit Configuration. Closest well permitted/completed in same formation is Burkhardt 3-3A at 570'. Closest well penetrating the formation is Badding 34-35 at 128'. Variance Request required. Corrected TPZ to 645 FEL.	1/16/2014 10:45:16 AM
LGD	This project is located within our comprehensive plan and is currently part of an annexation proposal to the City of Fort Lupton. We have a collector road that is proposed to be at the location of the shown access. The operator needs to coordinate with the City Planning staff prior to commencement of work.	1/15/2014 3:11:34 PM
Permit	Passed completeness.	12/23/2013 12:13:44 PM
Permit	Returned to draft: Attachments won't open.	12/23/2013 11:05:19 AM

Total: 6 comment(s)