

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:

400543993

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

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

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

02/06/2014

Well Name: Mumby State

Well Number: 4G-36H 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: Erin Lind

Phone: (720)876-5827

Fax: ( )

Email: erin.lind@encana.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100017

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 36 Twp: 2N Rng: 66W Meridian: 6

Latitude: 40.090826

Longitude: -104.719481

Footage at Surface: 1234 feet FNL/FSL FSL 973 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5018

County: WELD

GPS Data:

Date of Measurement: 12/20/2013 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 FSL 602 FSL 369 FEL 460 FNL 400 FEL  
Sec: 36 Twp: 2N Rng: 66W Sec: 36 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: Surface Use Agreement

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. 36: E2

Total Acres in Described Lease: 320 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian

Federal or State Lease # 70/8354-S

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 369 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 859 Feet  
Building Unit: 1089 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 962 Feet  
Above Ground Utility: 939 Feet  
Railroad: 5280 Feet  
Property Line: 240 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: 84 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

Proposed spacing unit is the E/2E/2 of Sec. 36 T2N R66W and W/2W/2 of Sec. 31 T2N R65W.

## OBJECTIVE FORMATIONS

| 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                                  |

## DRILLING PROGRAM

Proposed Total Measured Depth: 12215 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 58 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 or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

## GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

## DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Land application

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Centralized E&P WMF

Other Disposal Description:

Beneficial reuse or land application plan submitted?

Reuse Facility ID:  or Document Number:

## CASING PROGRAM

| 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             | 1094          | 137       | 1094    | 0       |
| 1ST         | 8+3/4        | 7              | 26    | 0             | 7952          | 451       | 7952    | 794     |
| 2ND         | 6+1/8        | 4+1/2          | 13.5  | 0             | 12214         | 175       | 12214   | 7652    |

☐ Conductor Casing is NOT planned

## DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

## GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☒ Rule 318A.c. Exception Location (GWA Twinning).

## RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number

## 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 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 and waiver attached.  
This well is closer than 150' to the nearest permitted or producing BHL. A 318A.m. variance request letter is attached.  
Encana requests the approval of the omission of open hole logs; request letter attached.  
The distance from completed portion of the proposed wellbore to nearest wellbore permitted/completed in the same formation and the distance to nearest permitted or existing wellbore penetrating objective formation were taken from the Badding State 42-36, API # 05-123-21368.  
The Surface Owner has waived any and all notices required by the COGCC in their Surface Use Agreement relating to or arising out of an issuance of an Application for Permit to Drill (Form 2), Oil and Gas Location Assessment (Form 2A), or any notice and/or additional consultation required under COGCC Rules 305 or 306.  
Additional BMPs for the entire location can be found on the Form 2A, document #400543999.

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

Location ID: \_\_\_\_\_

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: Erin Lind

Title: Permitting Analyst Date: 2/6/2014 Email: erin.lind@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: 4/6/2014

Expiration Date: 04/05/2016

**API NUMBER**

05 123 39218 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.

#### **COA Type**

#### **Description**

|  |   |
|--|---|
|  | <p>Operator acknowledges the proximity of the listed non-operated wells. Operator agrees to provide mitigation Option 1 or 2 (per the DJ Basin Horizontal Offset Policy), ensure all applicable documentation is submitted, and submit 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>Badding State 1 API 123-09902</p>                                  |
|  | <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>Mumby-State 1 API 123-11429</p> |
|  | <p>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. 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.</p>  |

### **Best Management Practices**

#### **No BMP/COA Type**

#### **Description**

|   |                                |  |
|---|--------------------------------|--|
| 1 | Drilling/Completion Operations | <p>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.</p> |
| 2 | Drilling/Completion Operations | <p>Encana will comply with the "COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012.</p>   |

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**

| <u>Att Doc Num</u> | <u>Name</u>                 |
|--------------------|-----------------------------|
| 2114567            | OTHER                       |
| 2114584            | ANTI-COLLISION WAIVER       |
| 2482602            | SURFACE CASING CHECK        |
| 400543993          | FORM 2 SUBMITTED            |
| 400545140          | WELL LOCATION PLAT          |
| 400545144          | DEVIATED DRILLING PLAN      |
| 400545145          | EXCEPTION LOC WAIVERS       |
| 400545147          | DIRECTIONAL DATA            |
| 400546610          | PROPOSED SPACING UNIT       |
| 400546611          | EXCEPTION LOC REQUEST       |
| 400549594          | OffsetWellEvaluations Data  |
| 400549599          | SURFACE AGRMT/SURETY        |
| 400551008          | OPEN HOLE LOGGING EXCEPTION |
| 400551010          | ANTI-COLLISION WAIVER       |

Total Attach: 14 Files

### General Comments

| <u>User Group</u> | <u>Comment</u>  | <u>Comment Date</u>      |
|-------------------|---|--------------------------|
| Permit            | Received Anti-Collision Waiver.<br>Ready to pass.   | 4/1/2014<br>11:39:32 AM  |
| Permit            | Corrected distance to nearest lease line to 369'. Operator concurs.<br>Nearest well permitted/completed in the same formation is Badding 42-36 at 84'.<br>Operator concurs, waiver attached.<br>Nearest well penetrating the formation is Mumby State #1 at 58'. Operator concurs.<br>Requires Anti-Collision Waiver for this well.<br>Moved the proposed spacing unit description to Spacing and Formations Comment box.<br>Location is in the Buffer Zone, although wells are not. Attached Buffer Zone Notification Letter per OGLA.<br>Rule 317.o exception granted. See attached Open Hole Logging Exception request letter. | 3/18/2014<br>2:14:55 PM  |
| LGD               | Proposed drill site is outside of Fort Luptons current City limits, however is located within our current comprehensive plan. The area is designated as future urban residential with a potential trail corridor along the ditch.   | 2/24/2014<br>2:47:49 PM  |
| Permit            | Passed completeness.  | 2/10/2014<br>11:25:32 AM |

Total: 4 comment(s)