Appendix 1: 2005 North Parachute Ranch Water Storage Facility – Form 28

STATE OF COLORADO
OIL & GAS
CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCES
Bill Owens, Governor
1120 Lincoln St., Suite 801
Denver, CO 80203
Phone: (303) 894-2100
FAX: (303) 894-2109
www.oil-gas.state.co.us

June 22, 2005

Dan McWilliams, P.E.
Cordilleran Compliance Services, Inc.
826 21 ½ Road
Grand Junction, Colorado 81505

01417993

PERMIT # 120803

RE: EnCana Oil & Gas (USA), Inc.
North Parachute Ranch Water Centralized E&P Waste Management Facility
(Water) SWSW 30 –T5S-R95W
Garfield County, Colorado

Dear Mr. McWilliams:

The Colorado Oil and Gas Conservation Commission (COGCC) staff has reviewed the Permit for the above referenced site. All items required by the permit have been provided and the COGCC staff has approved the facility. Please refer to CE&PWMF No. 120803 on all future correspondence.

Should you have any questions, please call me at (303) 894-2100 ext.112.

Respectfully,

Robert H. Chesson, C.P.G., P.G.
Environmental Protection Specialist

cc: Brian Macke – COGCC
David Dillon- COGCC
Debbie Baldwin – COGCC
Jaime Adkins – COGCC
Jay Krabacher - COGCC

FAX - 970 - 285 - 2636

FORM 28 Rev 6/99

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

RECEIVED
FEB 09 2005
2005-0013
COGCC

CENTRALIZED E&P WASTE MANAGEMENT FACILITY PERMIT

Submit this Form and accompanying documents for each facility per Rule 908. Financial Assurance in the amount of $50,000 is required to operate each facility.

OGCC Operator Number: 100131
Name of Operator: EnCana Oil & Gas (USA), Inc.
Address: 792 Buckhorn Drive
City: Rifle State: CO Zip: 81650

Contact Name and Telephone:
Doug Rosa
No: (970) 625-6600
Fax: (970) 625-6691

Surface Owner (if different than above): As above
Address:
City: State: Zip: Phone:

Facility Name: NPR Water Storage Facility
Address: 10652 Garfield County Road 215
City: Parachute State: CO Zip: 81635
Phone: Fax: N/A

Location (QtrQtr, Sec, Twp, Rng, Mer): SW/SW, S30, T5S, R95W, 6th
Latitude: N 39.5804 deg.
Longitude: W 108.1035 deg.

Complete the Attachment Checklist

	Oper	OGCC
Site description (topo, geol, hydro)	✓	✓
Adjacent land use description	✓	✓
Topographic map	✓	✓
Site drainage map with structures	✓	✓
Scaled drawing and survey map	✓	✓
Facility design & engineering	✓	✓
Operating plan	✓	✓
Water analysis report	✓	
Financial assurance	✓	
Closure plan	✓	✓
Local gov't zoning compliance	✓	✓
Local gov't permits and notice	✓	✓

1. Is the site in a sensitive area? ☑ Y ☐ N

2. What are the average annual precipitation and evaporation rates for the site? Precipitation: 13 inches/year Evaporation: 45 inches/year

3. Has a description of the site's general topography, geology and hydrology been attached? ☑ Y ☐ N

4. Has a description of the adjacent land use been attached? ☑ Y ☐ N

5. Has a 1:24,000 topographic map showing the site location been attached? ☑ Y ☐ N

6. Has a site plan showing drainage patterns, diversion or containment structures, roads, fencing, tanks, pits, buildings and any other pertinent construction details been attached? ☑ Y ☐ N

7. If site is not owned by the operator, is written authorization of the surface owner attached? ☐ Y ☐ N

8. Has a scaled drawing and survey showing the entire section(s) containing the proposed facility been attached? ☑ Y ☐ N

9. What measures have been implemented to limit access to the facility by wildlife, domestic animals or by members of the public? Briefly explain.
The gate and security post at the property entrance will prevent unauthorized public access. The storage pond will be surrounded by a field fence. Wildlife deterence structures will be installed as needed to prevent access by domestic or wild animals.

10. Is there a planned firelane of at least 10 feet in width around the active treatment areas and within the perimeter fence? ☑ Y ☐ N

11. Is there an additional buffer zone of at least 10 feet within the perimeter firelane? ☑ Y ☐ N

12. Have surface water diversion structures been constructed to accommodate a 100-year, 24-hour event? ☑ Y ☐ N

13. Has a waste profile been calculated according to Rule 908.b.6? ☑ Y ☐ N

14. Has facility design and engineering been provided as required by Rule 908.b.7? ☑ Y ☐ N

15. Has an operating plan been completed as required by Rule 908.b.8? ☑ Y ☐ N

16. Has ground water monitoring for the site been provided? ☑ Y ☐ N **Attach Water Analysis Report, Form 25, for each monitoring well installed.**

17. Has financial assurance been provided as required by Rule 704? ☑ Y ☐ N

18. Has a closure plan been provided? ☑ Y ☐ N

19. Have local government requirements for zoning and construction been complied with? ☑ Y ☐ N

20. Have permits and notifications required by local governments and other agencies been provided? ☑ Y ☐ N

Print Name: Doug Rosa
Signed: Doug Rosa Title: Operations Supervisor Date: 1-24-05

OGCC Approved: Title: EPS Date: 6/22/05

CONDITIONS OF APPROVAL, IF ANY:

Facility Number: 120803

Permit # 120803

RECEIVED
FEB-9 0
COGCC

CORDILLERAN

826 21 ½ Road
Grand Junction, CO 81505
T: 970.263.7800
F: 970.263.7456

February 8, 2005

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203
Attn: Mr. Bob Chesson

Dear Mr. Chesson:

Please find the enclosed Centralized E&P Waste Management Facility Permit application form and supplemental information for the North Parachute Ranch Water Storage Facility, owned and operated by EnCana Oil & Gas (USA), Inc. Cordilleran Compliance Services, Inc., on behalf of EnCana, has prepared these documents.

Please contact me at the number above or at danmcwilliams@cordcomp.com if you have any questions on this matter or need additional information.

Sincerely,
Cordilleran Compliance Services, Inc.

D. McWilliams

Dan McWilliams, P.E.
Senior Engineer

Attachments

cc: Doug Rosa, EnCana Oil & Gas (USA) Inc.
Jimmy Smith, Wagon Wheel Consulting
File EG05067

FORM 28 Rev 6/99

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

RECEIVED
FEB 09 2005
2005-0013
COGCC
Surface

CENTRALIZED E&P WASTE MANAGEMENT FACILITY PERMIT

Submit this Form and accompanying documents for each facility per Rule 908. Financial Assurance in the amount of $50,000 is required to operate each facility.

OGCC Operator Number: 100131
Name of Operator: EnCana Oil & Gas (USA), Inc.
Address: 792 Buckhorn Drive
City: Rifle State: CO Zip: 81650

Contact Name and Telephone:
Doug Rosa
No: (970) 625-6600
Fax: (970) 625-6691

Surface Owner (if different than above): As above
Address:
City: State: Zip: Phone:

Facility Name: NPR Water Storage Facility
Address: 10652 Garfield County Road 215
City: Parachute State: CO Zip: 81635
Phone: Fax: N/A

Location (QtrQtr, Sec, Twp, Rng, Mer): SW/SW, S30, T5S, R95W, 6th
Latitude: N 39.5804 deg.
Longitude: W 108.1035 deg.

Complete the Attachment Checklist

	Oper	OGCC
Site description (topo, geol, hydro)	✓	✓
Adjacent land use description	✓	✓
Topographic map	✓	✓
Site drainage map with structures	✓	✓
Scaled drawing and survey map	✓	✓
Facility design & engineering	✓	✓
Operating plan	✓	✓
Water analysis report	✓	✓
Financial assurance	✓	
Closure plan	✓	✓
Local gov't zoning compliance	✓	✓
Local gov't permits and notice	✓	✓

1. Is the site in a sensitive area? ☑ Y ☐ N

2. What are the average annual precipitation and evaporation rates for the site? Precipitation: 13 inches/year Evaporation: 45 inches/year

3. Has a description of the site's general topography, geology and hydrology been attached? ☑ Y ☐ N

4. Has a description of the adjacent land use been attached? ☑ Y ☐ N

5. Has a 1:24,000 topographic map showing the site location been attached? ☑ Y ☐ N

6. Has a site plan showing drainage patterns, diversion or containment structures, roads, fencing, tanks, pits, buildings and any other pertinent construction details been attached? ☑ Y ☐ N

7. If site is not owned by the operator, is written authorization of the surface owner attached? ☐ Y ☐ N

8. Has a scaled drawing and survey showing the entire section(s) containing the proposed facility been attached? ☑ Y ☐ N

9. What measures have been implemented to limit access to the facility by wildlife, domestic animals or by members of the public? Briefly explain.
The gate and security post at the property entrance will prevent unauthorized public access. The storage pond will be surrounded by a field fence. Wildlife deterence structures will be installed as needed to prevent access by domestic or wild animals.

10. Is there a planned firelane of at least 10 feet in width around the active treatment areas and within the perimeter fence? ☑ Y ☐ N

11. Is there an additional buffer zone of at least 10 feet within the perimeter firelane? ☑ Y ☐ N

12. Have surface water diversion structures been constructed to accommodate a 100-year, 24-hour event? ☑ Y ☐ N

13. Has a waste profile been calculated according to Rule 908.b.6? ☑ Y ☐ N

14. Has facility design and engineering been provided as required by Rule 908.b.7? ☑ Y ☐ N

15. Has an operating plan been completed as required by Rule 908.b.8? ☑ Y ☐ N

16. Has ground water monitoring for the site been provided? ☑ Y ☐ N ***Attach Water Analysis Report, Form 25, for each monitoring well installed.***

17. Has financial assurance been provided as required by Rule 704? ☑ Y ☐ N

18. Has a closure plan been provided? ☑ Y ☐ N

19. Have local government requirements for zoning and construction been complied with? ☑ Y ☐ N

20. Have permits and notifications required by local governments and other agencies been provided? ☑ Y ☐ N

Print Name: Doug Rosa
Signed: [signature] Title: Operations Supervisor Date: 1-24-05

OGCC Approved: [signature] Title: EPS Date: 6/22/05

CONDITIONS OF APPROVAL, IF ANY:

Facility Number: 120803

ATTACHMENT A

SITE DESCRIPTION

NORTH PARACHUTE RANCH WATER STORAGE FACILITY

The site area is located in a remote area along the Parachute Creek drainage north of Parachute in Garfield County. The topography of the area is relatively flat and slopes to the southwest at an approximate 5% grade. The location of the proposed North Parachute Ranch (NPR) facility is underlain by loam and alluviums derived mainly from sandstone and shale. The predominate soil type in the site area is a combination of clay and stony loam. Ephemeral East Fork of Parachute Creek runs east to west on the south side of the facility location. This drainage will not affect operation of the storage facility.

Information from the site-specific soils investigations indicates that the depth to alluvial ground water near the NPR Water Storage facility is approximately 6 feet below the elevation of the proposed pond bottom. The depth to ground water along with water chemistry, and characteristics of the underlying soil indicate that the site is within a sensitive area. The NPR facility is designed to protect groundwater resources. The pond will be triple-lined with a base 12-inch thick bentonite-amended soil liner, overlain by the secondary 60 mil HDPE liner, overlain by the leak collection and recovery system (LCRS), and overlain by the top primary 60 mil HDPE liner (see Attachment D Facility Diagram). Fluids contained within the LCRS will be pumped back to within the primary liner. If fluids are found within the LCRS, the rate of leakage will be monitored in order to determine the need for primary liner repair and/or groundwater monitoring. If groundwater is encountered during construction, monitoring wells will be installed and sampled regularly.

Surface water and ground water monitoring locations have been established within the NPR. These locations will be sampled bi-annually to characterize and monitor the quality of surface and ground water. Established monitoring locations in the area of the proposed produced water facility are shown on Figure 1 (presented in Attachment C). Surface water sample locations are SW-EF1 (upgradient) and SW-EF2 (downgradient). The shallow, alluvial ground water within the East Fork of Parachute Creek is characterized by MW 9. A summary of analytical results from the first monitoring period (fall 2004) is attached.

North Parachute Ranch
Water Quality near Proposed Produced Water Facility

Location	Media			Ground Water		Surface Water				
	Section			30		30	31			
	Township			5 South		5 South	5 South			
	Range			96 West		95 West	95 West			
	Quarter/Quarter			NW/SE		NW/SE	NW/NW			
	Stream Section			East Fork		East Fork	East Fork			
	Latitude			N 39.58151°		N 39 58144°	N 39.57735°			
	Longitude			W 108.09449°		W 108.08824°	W 108.10694°			
Sample	Sample ID #			120104-MW9		SW-EF1	SW-EF2			
	Well ID			MW 9		N/A	N/A			
	Sample Date			12/1/2004		10/27/2004	10/27/2004			
	Sample Source			Shallow GW		East Fork	East Fork			
	Depth to Water (ft, below top of casing)			25 88		N/A	N/A			
	Depth to Water (ft, below ground surface)			23.1		N/A	N/A			
	Total Depth (ft, below ground surface)									
Water Sample Analytical Results		**Standards**								
	Benzene (mg/l)	0.005 [A]		<0 00050		<0.00050	<0.00050			
	Toluene (mg/l)	1.000 [A]		<0.0050		<0.0050	<0 0050			
	Ethylbenzene (mg/l)	0.680 [A]		<0.00050		<0 00050	<0.00050			
	Total Xylene (mg/l)	10.000 [A]		<0.0015		<0 0015	<0.0015			
	MTBE (mg/l)	NA		<0.0010		<0.0010	<0.0010			
	Methane (ppm)	NA		<0.010		<0.010	<0 010			
	TDS (mg/l)	400[B]		540		320	380			
	Nitrate + Nitrite (mg/l)	10.0[C]								
	Nitrate (mg/l)	10.0[C]		3.9		0 84 T8	1.2 T8			
	Nitrite (mg/l)	1.0[C]		<0.10		<0 10 T8	<0.10 T8			
	Ammonia-N (mg/l)	NA		14		<0.10	0 71			
	Sulphate Reducing Bacteria (approx. CFU/ml)	NA		700,000		700,000	700,000			
	Iron Bacteria (approx. CFU/ml)	NA		9,000		2,300	2,300			
	Slime Forming Bacteria (approx. CFU/ml)	NA		66,500		350,000	350,000			
	Hydrogen Sulfide (mg/l)	NA		0.094		0.066	0.053			
	Cations									
	Arsenic (mg/l)	0.05[C]		0.032		<0.010	<0.010			
	Barium (mg.l)	2.0[C]		0.50		0.058	0.062			
	Cadmium (mg/l)	0 005[C]		<0 0050		<0.0050	<0.0050			
	Calcium (mg/l)	NA		160		47	52			
	Chromium (mg/l)	0.1[C]		<0.0050		<0.010	<0.010			
	Copper (mg/l)	1[D]		0.035		<0.010	<0.010			
	Iron (mg/l)	0 3[D]		32 (V6)		0.059	<0.050			
	Potassium (mg/l)	NA		8.6		1.9	2.0			
	Magnesium (mg/l)	NA		78		28	35			
	Manganese (mg/l)	0.05[D]		0.76		<0.010	<0.010			
	Sodium (mg/l)	NA		63		42	46			
	Lead (mg/l)	0.05[C]		0.018		<0.0050	<0.0050			
	Selenium (mg/l)	0.05[C]		0.1 (O)		<0.010	0.010			
	Silver (mg/l)	0.05[C]		<0.0050		<0.0050	<0.0050 J6			
	Anions									
	Bromide (mg/l)	NA		<1.0		<1.0	<1 0			
	Chloride (mg/l)	250[D]		6.5		3.0	3.8			
	Fluoride (mg/l)	4.0[D]		0.78		0 54	0 49			
	Sulfate (mg/l)	250[D]		160		53	78			
	Alkalinity (mg/l CaCO3)	NA		260		270	280			
WQ Field Parameters	**Field Parameters**									
	pH	6.5-8 5[D]		8.28		8.01	8.57			
	Conductivity (mS/cm)	NA		0.901		0.569	0 625			
	Turbidity (NTU)	NA		5999		7.4	11.2			
	Dissolved Oxygen (mg/l)	NA		5.45		9.99	10 87			
	Temperature (°C)	NA		8 39		8.57	7.72			

Notes

General Notes

mg/l = milligrams per liter = ppm
mg/l $CaCO_3$ = mg/l of calcium carbonate
µg/l = micrograms per liter
CFU/ml = bacterial colonies per milliliter
mS/cm = milliSiemens per centimeter
NTU = nephelolometric turbidity units
°C = degrees centigrade
* = pH too low for Carbonate to be present
NA = no applicable standard
gpm = gallons per minute
µmhos/cm = micromhos per centimeter

Data Footnotes

T8 - (ESC) Sample(s) received past/too close to holding time expiration
O (ESC) Sample diluted due to matrix interferences that impaired the ability to make an analytical determination. The detection limit is elevated to reflect the necessary dilution
V6 (ESC) Additional QC Info: The ICV responded above the recovery range for one of the following: Al, Ca, K, Fe, Na, Zn. The associated analytical results are biased high
J6 The sample matrix interferred with the ability to make any accurate determination, spike value is low.

Water Quality Standards - designated by superscript letters in the standards column

A - from Colorado Oil & Gas Conservation Commission, Rules and Regulations, Table 910-1
B - from Colorado Department of Public Health and Environment, WQCC, Regulation No. 41, Table 4· TDS Water Quality Standards
C - from Colorado Department of Public Health and Environment, WQCC, Regulation No. 41, Table 1: Human Health Standards
D - from Colorado Department of Public Health and Environment, WQCC, Regulation No 41, Table 2. Secondary Drinking Water Standards

ATTACHMENT B

DESCRIPTION OF ADJACENT LAND USES

NPR WATER STORAGE FACILITY

The North Parachute Ranch (NPR) facility location is central to EnCana operations in the area. This will shorten truck trips and reduce the number of trucks traveling on Garfield County Road 215. The operation of the water storage facility does not differ significantly from the surrounding land uses, which in the past included oil shale development and are currently related to oil and gas exploration and production.

The location is relatively remote. The closest residence is approximately 3 miles south of the site, with other area residences lying approximately 10 miles south of the site in Parachute. A water storage pond presents relatively benign effects in terms of noise, odor, dust, and visual impact, therefore sufficient distance exists to provide protection to surrounding properties from the minimal impacts of this facility.

ATTACHMENT C

TOPOGRAPHIC MAP

NPR WATER STORAGE FACILITY

Scanned Separately

ATTACHMENT D

FACILITY DIAGRAM

NPR WATER STORAGE FACILITY

Scanned Separately

ATTACHMENT E

OPERATING PLAN

NPR WATER STORAGE FACILITY

The NPR Water Storage Facility will be used by EnCana Oil and Gas (USA), Inc. (EnCana) to store produced water derived from natural gas well drilling and completion operations on the NPR and fresh water from either Parachute Creek or the Colorado River.

The drilling, completion, and production operations of natural gas wells generate brackish water commonly referred to as produced water. Produced water from EnCana well sites within the NPR will be stored at the NPR facility. This stored water can then be recycled for continued well drilling and completion work, thereby reducing the demand on fresh water supplies.

The NPR Water Storage Facility will be constructed as a single pond with a capacity of approximately 215,000 barrels. Produced water will be transported by pipelines or trucks to an existing water storage tank located north of the Water Storage Facility. Initial water treatment will occur at the storage tank, this will primarily consist of skimming to remove petroleum constituents. Produced water will then be sent via pipeline to the Water Storage Facility. During the life of the facility, it is possible that an electronic water treatment system may be used to lower the Total Dissolved Solids (TDS) of the produced water supply to well below 3,000 parts per million (ppm).

An electric pump will be used to transfer water to or from water-hauling tank trucks at the facility. A building will enclose the water pump and associated electrical controls. The pump building protects the control systems from weather and corrosion as well as providing sound damping for the water pump. The expected footprint size of the building is 10 feet by 10 feet and will be located at the storage pond. The building is a static structure and integral part of the finished facility. As such, it will have the same general characteristics as other permanent structures at the site, in terms of use and hours of operation. If disposal of produced water becomes necessary, it will be disposed of at a permitted underground injection well or disposed of at an off-site licensed, commercial facility.

The facility will be permitted concurrently under the authority of Garfield County via a Special Use by Review process. EnCana will maintain compliance with the conditions of the State and County authorizations and the operator must be familiar with the conditions placed on operation of the facility.

The produced water facility will be visited daily by production operators. The leak collection and recovery system will be monitored daily. During construction of the facility, operations will be overseen by certified, third-party inspectors. The completed and operating facility will be enclosed within a 6-foot tall game or woven wire fence with gates to allow access. The facility will also be marked by a signage according to the requirements of COGCC Rule 210 (c).

Record keeping will include metering produced water volumes at the well heads since the vast majority of produced water will be piped to the pond and tracking service tickets for water truck loads. Emergency response procedures will be contained within the Spill Prevention, Control and Countermeasure Plan (SPCC) that will be developed for the facility in accordance with Colorado Department of Public Health and Environment and U.S. EPA guidelines. The SPCC will present operational guidance and procedures for avoiding and responding to potential spills. The SPCC will also present emergency response procedures and 24 hour contact information. Additionally, the facility will operate under the following conditions for fire control (per County SUP conditions).

General:

- All facility or operations personnel are instructed as to:
  - Be aware of local area fire danger for each day
  - Location of fire control equipment
  - Proper operation of fire control equipment
  - Emergency procedures and how to call for additional resources

Welding & Hot Work Operations:

- A minimum of one person is dedicated to act as a fire watch during welding or hot work operations with a fire extinguisher at hand.
- Welding shields are used during grinding operations to prevent sparks from leaving work areas and igniting vegetation.
- Water trucks are used to wet down ground and nearby vegetation, as conditions dictate.
- At the close of each day, personnel inspect the area of welding or hot work activities for any smoldering debris and any conditions conducive to fires.

Communications:

- EnCana or Contractor vehicles are typically equipped with cellular communications on board.

In the event of a fire:

- In the event of a fire, all personnel and appropriate equipment on site will be committed to fire containment and control.
- The BLM and appropriate fire authorities will be notified immediately.
- Direction of fire control efforts will be transferred to appropriate fire fighting agency personnel upon their arrival on site

ATTACHMENT F

STORED MATERIAL PROFILE

NPR WATER STORAGE FACILITY

The water stored at the NPR Water Storage Facility will consist of produced water from active drilling and completion operations within the NPR. Produced water from the NPR natural gas well drilling and completion operations has been characterized by sampling produced water from the pad 9 well pad:

Analytical Results of NPR Produced Water			
Parameter	Result	Parameter	Result
Chloride	12,000 mg/l	Arsenic	0.011 mg/l
Flouride	18 mg/l	Barium	44 mg/l
Sulfate	7.1 mg/l	Cadmium	0.0099 mg/l
Total Alkalinity	470 mg/l	Calcium	400 mg/l
Bicarbonate Alkalinity	470 mg/l	Chromium	0.047 mg/l
Carbonate Alkalinity	0 mg/l	Iron	24 mg/l
Cyanide	<0.0045 mg/l	Lead	<0.0050 mg/l
Sulfide	0.19 mg/l	Manganese	32 mg/l
Dissolved Solids	17,000 mg/l	Mercury	<0.00020 mg/l
Benzene	3.6 mg/l	Selenium	0.016 mg/l
Toluene	<25 mg/l	Silver	<0.0050 mg/l
Total Xylene	<7.5 mg/l	Sodium	520 mg/l
Methyl tert-butyl ether	<5.0 mg/l		
Abbreviations: mg/l – milligrams per liter			

During the life of the NPR water storage facility, it is possible that an electronic water treatment system may be installed and used. The specifics of a potential water treatment system are not known. However the treated water would, at a minimum, have the following characteristics:

Total Dissolved Solids (TDS) concentration:	< 3,000 parts per million
Total Suspended Solids (TSS) concentration:	< 500 parts per million
Total Petroleum Hydrocarbons (TPH) concentration:	< 500 parts per million
pH range:	6.5 – 8.5

ENVIRONMENTAL SCIENCE CORP.

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

REPORT OF ANALYSIS

December 21, 2004

Mr. Dan McWilliams
Cordilleran Compliance Services, In
826 21 1/2 Road
Grand Junction, CO 81505

ESC Sample # : L180039-01

Date Received : December 04, 2004
Description :

Site ID :

Sample ID : 120304-PC9

Project # : E04250

Collected By : W. Monroe
Collection Date : 12/03/04 10:30

Parameter	Result	Det. Limit	Units	Method	Date	Dil.
Chloride	12000	100	mg/l	9056	12/14/04	100
Fluoride	18.	2.0	mg/l	9056	12/10/04	20
Sulfate	7.1	5.0	mg/l	9056	12/10/04	1
Alkalinity	470	50.	mg/l	310.2	12/07/04	5
Alkalinity,Bicarbonate	470	50.	mg/l	310.2	12/07/04	5
Alkalinity,Carbonate	0.0	0.0	mg/l	310.2	12/07/04	1
Cyanide	BDL	0.0045	mg/l	9012	12/09/04	1
Sulfide	0.19	0.050	mg/l	9030B	12/07/04	1
Dissolved Solids	17000	1.0	mg/l	160.1	12/09/04	1
Mercury	BDL	0.00020	mg/l	7470A	12/09/04	1
Arsenic	0.011	0.010	mg/l	6010B	12/09/04	1
Barium	44.	0.0050	mg/l	6010B	12/09/04	1
Cadmium	0.0099	0.0050	mg/l	6010B	12/10/04	1
Calcium	400	0.50	mg/l	6010B	12/09/04	1
Chromium	0.047	0.010	mg/l	6010B	12/09/04	1
Iron	24.	0.050	mg/l	6010B	12/09/04	1
Lead	BDL	0.0050	mg/l	6010B	12/09/04	1
Magnesium	32.	0.10	mg/l	6010B	12/09/04	1
Manganese	0.67	0.010	mg/l	6010B	12/09/04	1
Selenium	0.016	0.010	mg/l	6010B	12/09/04	1
Silver	BDL	0.0050	mg/l	6010B	12/09/04	1
Sodium	520	5.0	mg/l	6010B	12/09/04	10
Benzene	3.6	2.5	mg/l	8021	12/06/04	5000
Toluene	BDL	25.	mg/l	8021	12/06/04	5000
Ethylbenzene	BDL	2.5	mg/l	8021	12/06/04	5000
Total Xylene	BDL	7.5	mg/l	8021	12/06/04	5000
Methyl tert-butyl ether	BDL	5.0	mg/l	8021	12/06/04	5000
Surrogate Recovery (77-118)						
a,a,a-Trifluorotoluene	94.		% Rec.	8021	12/06/04	5000

Cheli Boucher
Cheli Boucher, ESC Representative

BDL - Below Detection Limit
Det. Limit - Estimated Quantitation Limit(EQL)

Laboratory Certification Numbers:
AIHA - 100789, AL - 40660, CA - I-2327, CT- PH-0197, FL - E87487, GA - 923, IN - C-TN-01
KY - 90010, KYUST - 0016, NC - ENV375,DW21704, ND - R-140, SC - 84004, TN - 2006, VA - 00109, WV - 233
AZ -0612, MN - 047-999-395, NY - 11742

Note:
The reported analytical results relate only to the sample submitted.

Reported: 12/21/04 10:44 Printed: 12/21/04 10:44

Summary of Remarks For Samples Printed
12/21/04 at 10:44:59

TSR Signing Reports: 070
R5 - Desired TAT

Report methane to 0.01 ppb as method RSK 175 Seperate baseline projects for report-tos

Sample: L180039-01 Account: CORCOMGCO Received: 12/04/04 10:00 Due Date: 12/10/04 00:00 RPT Date: 12/21/04 10:44

ENVIRONMENTAL SCIENCE CORP.

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

Cordilleran Compliance Services, Inc.
Mr. Dan McWilliams
826 21 1/2 Road

Grand Junction, CO 81505

Quality Assurance Report
Level II

L180039

December 21, 2004

Laboratory Blank

Analyte	Result	Units	Date Analyzed	Batch
Alkalinity	< 10	mg/l	12/07/04 10:45	WG181327
Fluoride	< .1	mg/l	12/09/04 18:32	WG181788
Sulfate	< 5	mg/l	12/09/04 18:32	WG181788
Benzene	< .0005	mg/l	12/06/04 08:56	WG181824
Ethylbenzene	< .0005	mg/l	12/06/04 08:56	WG181824
Methyl tert-butyl ether	< .005	mg/l	12/06/04 08:56	WG181824
Toluene	< .005	mg/l	12/06/04 08:56	WG181824
Total Xylene	< .0015	mg/l	12/06/04 08:56	WG181824
Cyanide	< .005	mg/l	12/09/04 14:38	WG181912
Sulfide	< .05	mg/l	12/07/04 14:47	WG181968
Arsenic	0.0135	mg/l	12/09/04 17:46	WG182022
Barium	< .005	mg/l	12/09/04 17:46	WG182022
Cadmium	< .005	mg/l	12/09/04 17:46	WG182022
Calcium	< .5	mg/l	12/09/04 17:46	WG182022
Chromium	< .01	mg/l	12/09/04 17:46	WG182022
Iron	< .05	mg/l	12/09/04 17:46	WG182022
Lead	< .005	mg/l	12/09/04 17:46	WG182022
Magnesium	< .1	mg/l	12/09/04 17:46	WG182022
Manganese	< .01	mg/l	12/09/04 17:46	WG182022
Selenium	< .01	mg/l	12/09/04 17:46	WG182022
Silver	< .005	mg/l	12/09/04 17:46	WG182022
Sodium	< .5	mg/l	12/09/04 12:03	WG182022
Dissolved Solids	< 1	mg/l	12/09/04 11:50	WG182101
Mercury	< .0002	mg/l	12/09/04 17:17	WG182328
Chloride	< 1	mg/l	12/14/04 17:35	WG182948

Duplicate

Analyte	Units	Result	Duplicate	RPD	Limit	Ref Samp	Batch
Alkalinity	mg/l	84.5	84.0	0.617	20	L179705-01	WG181327
Fluoride	mg/l	0.158	0.157	0.482	20	L180120-04	WG181788
Sulfate	mg/l	152.	150.	1.42	20	L180120-04	WG181788
Sulfide	mg/l	0.0931	0.0810	13.9	20	L179612-05	WG181968
Dissolved Solids	mg/l	90.0	90.0	0.00	5	L180184-02	WG182101
Chloride	mg/l	3780	3800	0.642	20	L179845-02	WG182948

Laboratory Control Sample

Analyte	Units	Known Val	Result	% Rec	Limit	Batch
Alkalinity	mg/l	34.9	36.6	105.	85-115	WG181327
Fluoride	mg/l	4	3.82	95.4	90-110	WG181788
Sulfate	mg/l	20	17.6	87.9	90-110	WG181788
Benzene	mg/l	.0272	0.0285	105.	71-121	WG181824
Ethylbenzene	mg/l	.0368	0.0363	98.5	76-115	WG181824
Methyl tert-butyl ether	mg/l	.0452	0.0441	97.5	65-129	WG181824
Toluene	mg/l	.1532	0.155	101.	71-125	WG181824

ENVIRONMENTAL SCIENCE CORP.

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

Cordilleran Compliance Services, Inc.
Mr. Dan McWilliams
826 21 1/2 Road

Grand Junction, CO 81505

Quality Assurance Report
Level II

L180039

December 21, 2004

Analyte	Units	Known Val	Result	% Rec	Limit	Batch
Total Xylene	mg/l	.178	0.175	98.2	76-118	WG181824

Laboratory Control Sample

Analyte	Units	Known Val	Result	% Rec	Limit	Batch
Cyanide	mg/l	.1	0.0976	97.6	85-115	WG181912
Sulfide	mg/l	.5	0.528	106.	85-115	WG181968
Arsenic	mg/l	1.13	1.12	99.1	85-115	WG182022
Barium	mg/l	1.13	1.12	99.1	85-115	WG182022
Cadmium	mg/l	1.13	1.14	101.	85-115	WG182022
Calcium	mg/l	11.3	11.2	98.9	85-115	WG182022
Chromium	mg/l	1.13	1.12	99.1	85-115	WG182022
Iron	mg/l	1.13	1.11	98.2	85-115	WG182022
Lead	mg/l	1.13	1.13	100.	85-115	WG182022
Magnesium	mg/l	11.3	11.0	96.9	85-115	WG182022
Manganese	mg/l	1.13	1.10	97.3	85-115	WG182022
Selenium	mg/l	1.13	1.06	93.8	85-115	WG182022
Silver	mg/l	1.13	1.08	95.6	85-115	WG182022
Sodium	mg/l	11.3	11.6	102.	85-115	WG182022
Dissolved Solids	mg/l	975	974.	99.9	85-115	WG182101
Mercury	mg/l	.003	0.00286	95.3	85-115	WG182328
Chloride	mg/l	20	19.2	96.0	85-115	WG182948

Laboratory Control Sample Duplicate

Analyte	Units	LCSD Res	Ref Res	RPD	Limit	%Rec	Batch
Benzene	mg/l	0.0296	0.0285	3.86	13	109.	WG181824
Ethylbenzene	mg/l	0.0374	0.0363	3.07	17	102.	WG181824
Methyl tert-butyl ether	mg/l	0.0499	0.0441	12.5	23	110.	WG181824
Toluene	mg/l	0.160	0.155	3.37	17	105.	WG181824
Total Xylene	mg/l	0.180	0.175	2.99	14	101.	WG181824
Sulfide	mg/l	0.473	0.528	10.9	20	94.6	WG181968
Arsenic	mg/l	1.09	1.12	2.71	20	96.5	WG182022
Barium	mg/l	1.10	1.12	1.80	20	97.3	WG182022
Cadmium	mg/l	1.12	1.14	1.77	20	99.1	WG182022
Calcium	mg/l	11.0	11.2	1.99	20	97.0	WG182022
Chromium	mg/l	1.10	1.12	1.80	20	97.3	WG182022
Iron	mg/l	1.09	1.11	1.82	20	96.5	WG182022
Lead	mg/l	1.11	1.13	1.79	20	98.2	WG182022
Magnesium	mg/l	10.8	11.0	1.47	20	95.5	WG182022
Manganese	mg/l	1.09	1.10	0.913	20	96.5	WG182022
Selenium	mg/l	1.03	1.06	2.87	20	91.2	WG182022
Silver	mg/l	1.06	1.08	1.87	20	93.8	WG182022
Sodium	mg/l	11.6	11.6	0.173	20	103.	WG182022
Mercury	mg/l	0.0028	0.0028	0.00	20	95.3	WG182328

Matrix Spike

Analyte	Units	MS Res	Ref Res	TV	% Rec	Limit	Ref Samp	Batch
Alkalinity	mg/l	161.	17.0	150	96.0	80-120	L179276-01	WG181327
Fluoride	mg/l	4.68	0.160	5	90.3	80-120	L179642-05	WG181788
Sulfate	mg/l	120.	72.0	50	96.3	80-120	L179642-05	WG181788
Benzene	mg/l	0.0275	0.00	.0272	101.	64-117	L179851-02	WG181824
Ethylbenzene	mg/l	0.0349	0.00	.0368	94.9	73-114	L179851-02	WG181824

ENVIRONMENTAL SCIENCE CORP.

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

Cordilleran Compliance Services, Inc.
Mr. Dan McWilliams
826 21 1/2 Road

Grand Junction, CO 81505

Quality Assurance Report
Level II

L180039

December 21, 2004

Analyte	Units	MS Res	Ref Res	TV	% Rec	Limit	Ref Samp	Batch
Methyl tert-butyl ether	mg/l	0.0484	0.00	.0452	107.	60-127	L179851-02	WG181824

Matrix Spike

Analyte	Units	MS Res	Ref Res	TV	% Rec	Limit	Ref Samp	Batch
Toluene	mg/l	0.150	0.00	.1532	98.0	70-119	L179851-02	WG181824
Total Xylene	mg/l	0.168	0.00	.178	94.6	68-120	L179851-02	WG181824
Cyanide	mg/l	0.327	0.00	.4	81.7	80-120	L179956-05	WG181912
Sulfide	mg/l	1.18	0.0780	1	110.	80-120	L179618-01	WG181968
Arsenic	mg/l	1.33	0.00	1.13	118.	75-125	L178734-03	WG182022
Barium	mg/l	3.79	0.00	1.13	336.	75-125	L178734-03	WG182022
Cadmium	mg/l	1.34	0.00	1.13	118.	75-125	L178734-03	WG182022
Calcium	mg/l	121.	0.00	11.3	1070	75-125	L178734-03	WG182022
Chromium	mg/l	1.35	0.00	1.13	120.	75-125	L178734-03	WG182022
Iron	mg/l	4.89	0.00	1.13	432.	75-125	L178734-03	WG182022
Lead	mg/l	1.32	0.00	1.13	117.	75-125	L178734-03	WG182022
Magnesium	mg/l	49.6	0.00	11.3	439.	75-125	L178734-03	WG182022
Manganese	mg/l	1.36	0.00	1.13	121.	75-125	L178734-03	WG182022
Selenium	mg/l	1.28	0.00	1.13	114.	75-125	L178734-03	WG182022
Silver	mg/l	0.172	0.00	1.13	15.2	75-125	L178734-03	WG182022
Mercury	mg/l	0.0031	0.00	.003	104.	70-130	L180272-01	WG182328
Chloride	mg/l	548.	49.3	50	99.7	80-120	L180586-01	WG182948

Matrix Spike Duplicate

Analyte	Units	MSD Res	Ref Res	RPD	Limit	%Rec	Ref Samp	Batch
Alkalinity	mg/l	164.	161.	1.63	20	97.7	L179276-01	WG181327
Fluoride	mg/l	4.77	4.68	2.06	20	92.3	L179642-05	WG181788
Sulfate	mg/l	121.	120.	0.576	20	97.7	L179642-05	WG181788
Benzene	mg/l	0.0283	0.0275	2.65	17	104.	L179851-02	WG181824
Ethylbenzene	mg/l	0.0367	0.0349	4.97	16	99.7	L179851-02	WG181824
Methyl tert-butyl ether	mg/l	0.0490	0.0484	1.13	22	108.	L179851-02	WG181824
Toluene	mg/l	0.155	0.150	3.15	15	101.	L179851-02	WG181824
Total Xylene	mg/l	0.178	0.168	5.26	24	99.7	L179851-02	WG181824
Cyanide	mg/l	0.391	0.327	17.8	20	97.7	L179956-05	WG181912
Sulfide	mg/l	1.16	1.18	1.24	20	109.	L179618-01	WG181968
Arsenic	mg/l	1.13	1.33	16.3	20	100.	L178734-03	WG182022
Barium	mg/l	3.20	3.79	16.8	20	284.	L178734-03	WG182022
Cadmium	mg/l	1.14	1.34	15.8	20	101.	L178734-03	WG182022
Calcium	mg/l	102.	121.	17.1	20	901.	L178734-03	WG182022
Chromium	mg/l	1.15	1.35	16.3	20	102.	L178734-03	WG182022
Iron	mg/l	4.15	4.89	16.4	20	367.	L178734-03	WG182022
Lead	mg/l	1.13	1.32	15.7	20	99.8	L178734-03	WG182022
Magnesium	mg/l	41.8	49.6	17.0	20	370.	L178734-03	WG182022
Manganese	mg/l	1.15	1.36	16.6	20	102.	L178734-03	WG182022
Selenium	mg/l	1.09	1.28	16.1	20	96.7	L178734-03	WG182022
Silver	mg/l	0.226	0.172	27.3	20	20.0	L178734-03	WG182022
Mercury	mg/l	0.0027	0.0031	13.0	20	91.0	L180272-01	WG182328
Chloride	mg/l	550.	548.	0.305	20	100.	L180586-01	WG182948

ENVIRONMENTAL
SCIENCE CORP.

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

Cordilleran Compliance Services, Inc.
Mr. Dan McWilliams
826 21 1/2 Road

Grand Junction, CO 81505

Quality Assurance Report
Level II

L180039

December 21, 2004

Batch number /Run number / Sample number cross reference

WG181327: R216639: L180039-01
WG181824: R216681: L180039-01
WG181968: R216695: L180039-01
WG182022: R216935: L180039-01
WG182101: R216944: L180039-01
WG181912: R216999: L180039-01
WG182328: R217090: L180039-01
WG181788: R217342: L180039-01
WG182948: R217617: L180039-01

* denotes out of limit range result. See Attachment B of standard report for list of qualifiers.
* * Calculations are performed prior to rounding of reported values .

ENVIRONMENTAL
SCIENCE CORP.

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

Cordilleran Compliance Services, Inc.
Mr. Dan McWilliams
826 21 1/2 Road

Grand Junction, CO 81505

Quality Assurance Report
Level II

L180039

December 21, 2004

ESC Level 2 Data Package

The data package includes a summary of the analytic results of the quality control samples required by the SW-846 or CWA methods. The quality control samples include a method blank, a laboratory control sample, and the matrix spike/matrix spike duplicate analysis. If a target parameter is outside the method limits, every sample that is effected is flagged with the appropriate qualifier in Appendix B of the analytic report.

Method Blank - an aliquot of reagent water carried through the entire analytic process. The method blank results indicate if any possible contamination exposure during the sample handling, digestion or extraction process, and analysis. Concentrations of target analytes above the reporting limit in the method blank are qualified with the "B" qualifier.

Laboratory Control Sample - is a sample of known concentration that is carried through the digestion/extraction and analysis process. The percent recovery, expressed as a percentage of the theoretical concentration, has statistical control limits indicating that the analytic process is "in control". If a target analyte is outside the control limits for the laboratory control sample or any other control sample, the parameter is flagged with a "J4" qualifier for all effected samples.

Matrix Spike and Matrix Spike Duplicate - is two aliquots of an environmental sample that is spiked with known concentrations of target analytes. The percent recovery of the target analytes also has statistical control limits. If any recoveries that are outside the method control limits, the sample that was selected for matrix spike/matrix spike duplicate analysis is flagged with either a "J5" or a "J6". The relative percent difference (%RPD) between the matrix spike and the matrix spike duplicate recoveries is all calculated. If the RPD is above the method limit, the effected samples are flagged with a "J3" qualifier.

Cordilleran Compliance Services, Inc.
826 21 1/2 Road
Grand Junction, CO 81505

Alternate billing information:

Report to: Dan mcwilliams
Email to: danmcwilliams@cordcomp.com

Project Description:
City/State Collected: Parachute, CO

Phone: 970-263-7800
FAX: 970-263-7456
Client Project #: E04250
ESC Key: CORCOMGCO-BASELINE

Collected by: W. Monroe
Site/Facility ID#:
P.O.#:

Collected by (signature): [signature]
Packed on Ice N ___ Y X

Rush? (Lab MUST Be Notified)
___ Same Day.......200%
___ Next Day.......100%
___ Two Day........50%

Date Results Needed:
Email? __No__Yes
FAX? __No__Yes

Analysis/Container/Preservative

Chain of Custody Page 1 of 1

Prepared by:

ENVIRONMENTAL SCIENCE CORP.
12065 Lebanon Road
Mt. Juliet, TN 37122
Phone (615) 758-5858
Phone (800) 767-5859
FAX (615) 758-5859

CoCode Corocomgco (lab use only)
Template/Prelogin
Shipped Via: T24848

Sample ID	Comp/Grab	Matrix*	Depth	Date	Time	No. of Cntrs	ALK-ALKBI-ALKCA (3) 500mlHDPE-NoPres	Metals - 250mlHDPE-HNO3	BTEXM - (2) 40mlAmb-HCl	~~Methane - (2) 40mlAmb-NoPres~~	Sulfide - 500mlHDPE-NaOH+ZnAc	Anions - 250mlHDPE-NoPres	~~Ammonia - 250mlHDPE-H2SO4~~	TDS - 250mlHDPE-NoPres	Remarks/Contaminant	Sample # (lab only)
120304-PC9	grab	WW		12-3-04	1030	8	X	X	X		X	X		X		L180039-01

*Matrix: SS - Soil/Solid GW - Groundwater WW - WasteWater DW - Drinking Water OT - Other ______ Sulfide pH adjusted in lab. pH ______ Temp ______

Remarks: Metals (Ca, Fe, ~~K~~, Mg, Mn, Na, and Se) Anions (CL, F, SO4, ~~NO3, NO2~~) Flow ______ Other ______
Ba, As, Cd, Cr, Pb, Hg, Ag, Cyanide   Ca poured up from TDS + pH adjusted in lab

Relinquished by: (Signature)	Date:	Time:	Received by: (Signature)	Samples returned via: ☐ UPS ☐ FedEx ☐ Courier ☐ ___	Condition: (lab use only)
[signature]	12-3-04	1700			COC seals intact
Relinquished by: (Signature)	Date:	Time:	Received by: (Signature)	Temp: 3.5 / Bottles Received: 8	7906 484 1734
Relinquished by: (Signature)	Date:	Time:	Received for lab by: (Signature) [signature]	Date: 12/4/04 / Time: 10:00	pH Checked: <2 / NCF:

OK

ATTACHMENT G

FINANCIAL ASSURANCE

NPR WATER STORAGE FACILITY

FORM 3 Rev 5/95

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203: (303) 894-2100 Fax 894-2109

FOR OGCC USE ONLY

OGCC Oper. No: | FATS No:

PERFORMANCE BOND

BOND NO: RLB0007900. This bond is a perpetual instrument which shall remain in force and effect until all obligations have been met and the bond is released by the Colorado Oil and Gas Conservation Commission.

KNOW ALL PERSONS BY THESE PRESENTS, That we, EnCana Oil & Gas (USA) Inc. of the County of Denver, in the State of Colorado as principals, and RLI Insurance Company, as surety, authorized to do business in the State of Colorado, are held hereby and firmly bound unto the State of Colorado, in the penal sum of ($50,000.00 ----------), Fifty Thousand and no/100 ---------- Dollars, lawful money of the United States, for the faithful payment of which we hereby bind ourselves, our heirs, executors, administrators and assigns.

The condition of this obligation is that whereas the above bounden principals propose the following oil and gas operation on lands situated in the State of Colorado.

Type of Bond	Coverage	Location (Complete for Individual Bonds)
☐ Plugging	☐ Blanket	Well Name and Number:
☐ Surface	☐ Individual	Owner of lands where off-site land-treatment facility is located:
☐ Seismic	☐ Plugging 1 well	QtrQtr, Sec, Twp, Rng, Meridian:
☒ E&P Waste Facility	☐ Surface for 1 well	
☐ Downstream Gas Facilities	☐ Irrigated ☐ Non-Irrigated	County:
	☐ Excess Inactive Wells	

NOW, THEREFORE, If the above bounden principals shall comply with all of the provisions of the laws of the State of Colorado and the rules, regulations and requirements of the Oil and Gas Conservation Commission of the State of Colorado, with reference to properly plugging of said well or wells; with reference to land damages and the restoration of the land, as nearly as possible, to its condition at the beginning of the lease; with reference to seismic operations the proper surface restoration and plugging of any shot holes, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

Witness our hands, this 27 day of January, 2005.

Principal: EnCana Oil & Gas (USA) Inc.
Address: 370 17th Street, Suite 1700
City: Denver State: CO Zip: 80202
Phone: 303-389-5000

Signed: D. J. Heaka
Name Printed: Darrin J Heaka

Witness our hands, this 27 day of January, 2005.

Surety: RLI Insurance Company
Address: 8 Greenway Plaza, Suite 400
City: Houston State: TX Zip: 77046
Phone: 713-961-1300

Signed: Paul M. O'Sullivan
Name Printed: Paul M. O'Sullivan, Attorney-in-Fact

Approved: _____ Director, Oil and Gas Conservation Commission

Dated: _____

Bond Release
Approved: _____ Director, Oil and Gas Conservation Commission

Release Date: _____

RLI

RLI Insurance Company | 9025 North Lindbergh Dr.
Peoria, IL 61615-1499 | Ph. (309) 692-1000

RLB0007900

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: PAUL M. O'SULLIVAN

in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

$50,000.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity, policies indemnifying employers against loss or damage caused by the misconduct of their employees, fiscal, judicial, surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for said Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or any other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT, CEO with its corporate seal affixed this

ATTEST:

Camille J. Hensey
Corporate Secretary

RLI INSURANCE COMPANY CORPORATE SEAL ILLINOIS

By: Michael J. Stone
President, CEO

State of Illinois)
) SS
County of Peoria)

On this 27 day of Jan. 2005 before me, a Notary Public, personally appeared Michael J. Stone and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President, CEO and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cherie L Montgomery
Notary Public

"OFFICIAL SEAL"
CHERIE L. MONTGOMERY
COMMISSION EXPIRES 03/08/08

UICS 904 (03/04)

ATTACHMENT H

CLOSURE PLAN

NPR WATER STORAGE FACILITY

The estimated life of the facility is between 10 and 20 years. Reclamation will consist of the following:

- Removal of all surface equipment and liner material.
- Restoration of grade to approximate original conditions.
- Replacing stockpiled topsoil.
- Complying with all prevailing COGCC and Garfield County regulations governing final reclamation.

Financial assurance in the amount of $50,000, per Rule 704 is provided in Attachment G and is intended to be sufficient to guarantee the proper reclamation, closure and abandonment of the facility.

ATTACHMENT I

LOCAL GOVERNMENT ZONING COMPLIANCE & LOCAL GOVERNMENT PERMITS AND NOTICE

NPR WATER STORAGE FACILITY

The facility will be permitted under the authority of Garfield County via a Special Use by Review process. The process for obtaining the Special Use Permit is currently under way. EnCana will maintain compliance with the conditions of the County authorization and the operator must be familiar with the conditions placed on operation of the facility.

A copy of the Garfield County Special Use Permit Application for the NPR Water Storage facility is attached here for reference.

GARFIELD COUNTY
Building & Planning Department
108 8th Street, Suite 201
Glenwood Springs, Colorado 81601
Telephone: 970.945.8212 Facsimile: 970.384.3470
www.garfield-county.com

Special Use Permit

GENERAL INFORMATION

(To be completed by the applicant.)

- Street Address / General Location of Property: Approximately 10 miles north of Parachute on CR 215. 10652 Garfield CR 215, Parachute, CO 81635
- Legal Description: SW1/4 of SW1/2, Section 30, Township 5 South, Range 95 West, 6th Principal Meridian.
- Existing Use & Size of Property in acres: Rangeland, oil & gas exploration, 27,000 acres.
- Description of Special Use Requested: Operation of water storage pond. The facility will store produced water from operations on the North Parachute Ranch and fresh water from Parachute Creek or the Colorado River for drilling and completion operations.
- Zone District: _____

- Name of Property Owner (Applicant): EnCana Oil & Gas (USA) Inc. (owner & operator)
- Address: 792 Buckhorn Drive Telephone: (970) 625-4209
- City: Rifle State: CO Zip Code: 81650 FAX: (970) 625-4636

- Name of Owner's Representative, if any (Attorney, Planner, etc):
  Jimmy Smith, Wagon Wheel Consulting
- Address: 111 East 3rd Street, Suite 213 Telephone: (970) 625-8433
- City: Rifle State: CO Zip Code: 81650 FAX: (970) 625-8435

STAFF USE ONLY

- Doc. No.: _____ Date Submitted:_____ TC Date: _____
- Planner: _____ Hearing Date: _____