

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:

400805265

APPLICATION FOR PERMIT TO:

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

Date Received:

03/06/2015

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER Unplanned

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: Sprague

Well Number: 3E-9H-N267

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: Bonnie Lamond

Phone: (720)876-5156

Fax: ()

Email: bonnie.lamond@encana.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100017

WELL LOCATION INFORMATION

QtrQtr: SESW Sec: 9 Twp: 2N Rng: 67W Meridian: 6

Latitude: 40.147020

Longitude: -104.898490

Footage at Surface: 521 feet FNL/FSL FSL 1717 feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4981

County: WELD

GPS Data:

Date of Measurement: 10/09/2013 PDOP Reading: 2.3 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 876 FSL 1811 FWL 400 Bottom Hole: FNL/FSL 1520 FEL/FWL FWL
Sec: 9 Twp: 2N Rng: 67W Sec: 4 Twp: 2N Rng: 67W

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.)

2N R67W Sec 9: SW/4. Surface/Mineral owner is the successor to the original lease.

Total Acres in Described Lease: 160 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: 949 Feet

Building Unit: 998 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 508 Feet

Above Ground Utility: 549 Feet

Railroad: 5280 Feet

Property Line: 521 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: 12/10/2013

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 296 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 605 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Section 4: S/2SW/4, Section 9: W/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 | | 400 | GWA |

DRILLING PROGRAM

Proposed Total Measured Depth: 12772 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 204 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S 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: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

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 | 800 | 100 | 800 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 7676 | 434 | 7676 | 500 |
| 2ND | 6+1/8 | 4+1/2 | 13.5 | 0 | 12772 | 206 | 12772 | 7376 |

☐ 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 The subject APD is for an unplanned sidetrack to the Sprague 3E-9H-N267 well. Encana received verbal approval to proceed with sidetrack operations from Diana Burn at the COGCC 18:30 on 3/4/15.

The proposed plan forward is as follows:

1. Spot 500ft balanced plug (37 bbl / 220 sks) with 17.5ppg cement from 7,303ft to 6,803ft
2. Spot 500ft balanced plug (37 bbl / 220 sks) with 17.5ppg cement from 6,803ft to 6,303ft
3. Pick up 8-3/4" directional BHA
4. Drill out cement in original wellbore to sidetrack kick off point of 6,469 ft
5. Drill intermediate hole section in sidetrack wellbore to TD at 7,826 ft MD / 7,335 ft TVD
6. Run 7" 26ppf intermediate casing and cement per plan
7. Drill 6-1/8" lateral to original planned BHL.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 302199

Is this application being submitted with an Oil and Gas Location Assessment application? _____ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Bonnie Lamond

Title: Regulatory Analyst Date: 3/6/2015 Email: bonnie.lamond@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: 3/11/2015

Expiration Date: 03/08/2017

API NUMBER

05 123 39268 01

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

| | |
|--|--|
| | |
|--|--|

Best Management Practices

No BMP/COA Type

Description

| | |
|--|--|
| | |
|--|--|

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> |
|--------------------|------------------------|
| 400805265 | APD APPROVED |
| 400805337 | WELLBORE DIAGRAM |
| 400805338 | DEVIATED DRILLING PLAN |
| 400805339 | DRILLING PLAN |
| 400806328 | FORM 2 SUBMITTED |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|--------------------------|
| Permit | Added 01 to API number. | 3/11/2015 10:16:12 AM |
| Permit | Final Review Completed. No LGD or public comment received. | 3/9/2015 9:17:35 AM |
| Engineer | Offset wells evaluated. | 3/9/2015 9:11:06 AM |
| Permit | Passed completeness. | 3/9/2015 8:31:24 AM |

Total: 4 comment(s)