

COGCC is in the process of reviewing the Form 2A for Morgan Hills 7H-A168 (doc no. 400651431). In order for COGCC to complete the review, please address the following:

1. The Drilling waste management program indicates Oil Based Mud (OBM) will be used and disposal is offsite land application and beneficial reuse. Please confirm that OBM will be disposed of via land application/beneficial reuse. If yes, please provide more information on how EnCana intends to meet COGCC 900 series rules for land application of OBM as it is not addressed in the WMP.

Oil Based Mud will not be used on this location.

2. If water based fluids and cuttings will be generated during the drilling process, as indicated in the WMP, please provide a comment on the use and generation of water based fluids and cuttings with information how these fluids will be disposed.

Drill cuttings and associated waste will be hauled to one of the following land spread locations: Bella 18, #431606 or McDonald Farm, #431609.

3. Current Land use indicated irrigated crop land, yet the plant community information is checked. Please confirm the land use for this location.

Current land use is irrigated crop land.

4. Based on the distance to the MLVT location, COGCC has determined this should be a separate facility with a separate 2A. With your concurrence, I will remove the MLVTs from this 2A as well as the MLVT policy information related. Please provide a Form 2A document number or comment regarding the MLVT location as a related remote facility.

The MLVTs that will be used for this location will need to be on an amended Form 2A for our existing location ID #336382. These MLVTs will be used for not only the proposed Morgan Hills 7H-A168 location but also the Woolley-Sosa-Becky 7H-E168. You may remove the number of MLVTs and related policy information from this permit.

5. Under the cultural distances, all of the distances are measured from the center well and production as to correspond with the location drawing. Please verify all of the distances on the Form 2A are from the nearest well or nearest piece of production equipment to the various cultural features.

Well Distances:

Building – 506' from Morgan Hills 1A well

Building Unit – 506' from Morgan Hills 1A well

High Occupancy Building Unit – 5280'

Designated Outside Activity Area – 5280'

Public Road – 304' from Morgan Hills 1I well

Above Ground Utility – 511' from Morgan Hills 1I well

Railroad – 3,639' from Morgan Hills 1I well

Property Line – 278' from Morgan Hills 1I well

Facility Distances:

Building – 355'

Building Unit – 355'

High Occupancy Building Unit – 5280'

Designated Outside Activity Area – 5280'

Public Road – 204'

Above Ground Utility – 331'

Railroad – 3,718' (from southeast corner of facilities)

Property Line – 178'

6. The water resource distances to the nearest surface water feature and water well do not appear to be from the edge of disturbance. Please confirm the distances to the nearest surface water and water well.

Water well distance is 575'. Surface water feature distance is 60' (from the ditch to the south of the property).

6. The Park Land airport (FAA Code: 7CO0) is approximately 1,500 feet to the east of the location. Please provide information and/or correspondence with the FAA and neighborhood regarding the proximity of the location to the airport and that EnCana will meet all FAA requirements.

Encana has obtained a permit from the FAA which performed an aeronautical study and determined our operations were of no hazard to air navigation. Encana has also verified that its operations are outside of the airport's 2500' emergency landing strip.

8. The siting rationale provided is not enough information for COGCC to determine that the location meets 604.c.(2)E. *Multi-well Pads*.

*i. Where technologically feasible and economically practicable, operators shall consolidate wells to create multi-well pads, including shared locations with other operators. Multi-well production facilities shall be located as far as possible from Building Units.*

COGCC's technical review of proposed Production Facilities in Buffer Zones is primarily based on information provided by the Operator. The explanation entered by the Operator on the Form 2A and any attachments should be detailed and specific to Production Facilities rather than Well Locations. COGCC also does a cursory review of the surrounding area to identify potential locations that are not in Buffer Zones, where construction is potentially feasible and where there is potentially less impact to neighbors (see attached). Using this information, COGCC evaluates compliance with Rule 604.c.(2)Ei:

The reasons for selecting or not selecting a location may include, but are not limited to:

- a) Technical and economic feasibility,
- b) Environmental and topographic considerations,
- c) Right to construct considerations,
- d) Surface Owner and adjacent owner considerations,
- e) Cultural concerns such as: access, infrastructure, proximity to Building Units, and future development plans, etc,
- f) Public concerns, and
- g) Local government input.

Supporting information to include on the Siting Rationale attachment may include;

- a) Figures, not limited to: tax assessor map screen shots, flood plain maps, property surveys, aerial images, maps or aerial images showing Building Units and depicting radii showing the relative position of the Oil and Gas Location.
- b) Narrative descriptions of interactions with Surface Owners, nearby Building Unit owners, Local Governments and neighborhood organizations.
- c) Descriptions of development plans and planning documents that played a role in the proposed siting.
- d) Attestations by Operator or third parties.

The future developer of this location needs the facilities located to the north due to the setbacks from the platted plots of land on the south and east side of our location. In order to stay away from certain features of the future development as much as possible and keep our facilities as close to the access road, they need to be on the north side. Encana has already been working with the developer (surface owner) and the Town of Erie to negotiate the details of this location. Additionally, we chose to place our permanent facilities away from the FAA emergency landing strip (2500' extending from the end of the runway to the east) which runs along the south side of the pad.