

FORM
2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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|-----------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 400256083 | | | |
| PluggingBond SuretyID 20100017 | | | |

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER ☐
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☒
Sidetrack ☐

3. Name of Operator: ENCANA OIL & GAS (USA) INC 4. COGCC Operator Number: 100185
5. Address: 370 17TH ST STE 1700
City: DENVER State: CO Zip: 80202-5632
6. Contact Name: JENNIFER LIND Phone: (720)876-5890 Fax: (720)876-6890
Email: JENNIFER.LIND@ENCANA.COM
7. Well Name: MELBON RANCH Well Number: 3A-17H
8. Unit Name (if appl): Unit Number:
9. Proposed Total Measured Depth: 11828

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 17 Twp: 2N Rng: 65W Meridian: 6
Latitude: 40.134910 Longitude: -104.696630

Footage at Surface: 1283 feet FNL/FSL 210 feet FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750
12. Ground Elevation: 4958 13. County: WELD

14. GPS Data:

Date of Measurement: 02/22/2012 PDOP Reading: 1.7 Instrument Operator's Name: MCGEHEE

15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 799 FSL 553 FWL 775 FSL 460 FWL FWL
Sec: 17 Twp: 2N Rng: 65W Sec: 17 Twp: 2N Rng: 65W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 1266 ft

18. Distance to nearest property line: 210 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 285 ft

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | 407 | 320 | S/2 |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #:

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☒ Yes ☐ No Surface Surety ID#:

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☒ Yes ☐ No

23b. If 23 is No: ☐ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

T2N-R65W-SEC.17: N/2NE, S/2

25. Distance to Nearest Mineral Lease Line: 460 ft

26. Total Acres in Lease: 400

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

31. Mud disposal: ☒ Offsite ☐ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| 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 | 198 | 800 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 7,538 | 922 | 7,538 | 500 |
| 2ND | 6+1/8 | 4+1/2 | 13.5 | 0 | 11,828 | | | |

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☒ Rotating Head ☐ None

33. Comments RE-FILE FOR THE MELBON RANCH 3A-17H - SURFACE LOCATION CHANGE NOT WITHIN ORIGINAL QUARTER-QUARTER. ENCANA PLANS TO DRILL TWO HORIZONTAL WELLS FROM A SINGLE PAD LOCATED IN THE SWSW-SEC.17-T2N-R65W. THE CURRENT MELBON RANCH 3A-17H WILL BE RELOCATED TO THE WEST OF THE ORIGINALLY PERMITTED LOCATION TO GROUPED WITH THE NEW MELBON RANCH 3B-17H WELL. THIS WILL ALLOW OPTIMAL DISTANCE FROM ENCANA'S PLANNED DIRECTIONAL WELLS TO THE EAST AND WILL ALLOW THE TWO HORIZONTAL WELLS TO BE DRILLED BACK TO BACK. ENCANA REQUESTS EXIGENT APPROVAL FOR THE MELBON RANCH 3A-17H - REQUEST LETTER AND SIGNED WAIVERS ATTACHED. ENCANA ALSO REQUESTS THE APPROVAL OF A RULE 318A.a AND RULE 318A.c EXCEPTION LOCATION AS THE WELL HEAD IS TO BE LOCATED OUTSIDE A GWA DRILLING WINDOW AND WILL BE LOCATED MORE THAN 50' FROM AN EXISTING WELL. REQUEST LETTER AND WAIVERS ARE ATTACHED.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

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

Signed: _____

Print Name: JENNIFER LIND

Title: REGULATORY ANALYST Date: _____ Email: JENNIFER.LIND@ENCANA.

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: _____

API NUMBER

05 123 34663 00

Permit Number: _____ Expiration Date: _____

CONDITIONS OF APPROVAL, IF ANY:

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.

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Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400257162 | WELL LOCATION PLAT |
| 400257165 | EXCEPTION LOC REQUEST |
| 400257166 | 30 DAY NOTICE LETTER |
| 400257169 | EXCEPTION LOC WAIVERS |
| 400257171 | DEVIATED DRILLING PLAN |
| 400257172 | MINERAL LEASE MAP |
| 400257174 | DIRECTIONAL DATA |
| 400257221 | TOPO MAP |
| 400257233 | VARIANCE REQUEST |
| 400257234 | PROPOSED SPACING UNIT |

Total Attach: 10 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)