

FORM
2

Rev
12/05

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:

400330801

Date Received:

09/26/2012

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: Erin Hochstetler Phone: (720)876-5827 Fax: ()

Email: erin.hochstetler@encana.com

7. Well Name: RAY NELSON Well Number: 4-8-32

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 8599

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 32 Twp: 2N Rng: 68W Meridian: 6

Latitude: 40.091970 Longitude: -105.021950

Footage at Surface: 1558 feet FSL 1187 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4964 13. County: WELD

14. GPS Data:

Date of Measurement: 06/15/2010 PDOP Reading: 1.4 Instrument Operator's Name: CRIAG BURKE

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

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
50 FSL 2612 FWL 50 FSL 2612 FWL
Sec: 32 Twp: 2N Rng: 68W Sec: 32 Twp: 2N Rng: 98W

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: 917 ft

18. Distance to nearest property line: 180 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 710 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.)
CODELL	CODL		160	GWA
J SAND	JSND		160	GWA
NIOBRARA	NBRR		160	GWA

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#: 20090011

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):

SW,S2NW LYING S&E OF RR ROW & PART OF N2NE OF SEC 32,T2N,R68W.

25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 245388

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
SURF	12+1/4	8+5/8	24	0	800	350	800	0
1ST	7+7/8	4+1/2	11.6	0	8,599	290	8,599	7,510

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

33. Comments NO CONDUCTOR CASING WILL BE USED. Proposed GWA Unit Configuration for NB-CD & JSND: Sec 32 2N 68W: SESW, SWSE & Sec 5 1N 68W: NENW, NWNE ;This well was originally approved administratively as a Rule 318A.c.(2) exception location. Encana has been unable to obtain surface owner consent to the twinning exception (although an SUA has been signed and the Memorandum is attached to this document). The location of wellheads will be greater than 50' from the existing well "Nelson E Unit #2". The location of the existing well is a property line exception location, so any well twinning the existing well would also be. The current location was chosen to gain an appropriate distance from surface waters. Due to topographic / surface constraints, the un-twinning location as originally approved is more appropriate for the safety and protection for the environment. Encana requests that this re-file be administratively approved as a 318A(I)c.(1) exception location due to circumstances listed above. An exception location request letter including this information has been attached. THIS WELL HAS NOT YET BEEN DRILLED THEREFORE THE CURRENT 2A IS STILL RELEVANT.

34. Location ID: 319034

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: Erin Hochstetler

Title: Permitting Technician Date: 9/26/2012 Email: erin.hochstetler@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: Matthew Lee Director of COGCC Date: 10/23/2012

API NUMBER

05 123 32435 00

Permit Number: _____ Expiration Date: 10/22/2014

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.

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU..
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log.
- 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.

Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
400330801	FORM 2 SUBMITTED
400331017	DEVIATED DRILLING PLAN
400331019	LEASE MAP
400331020	PROPOSED SPACING UNIT
400331023	WELL LOCATION PLAT
400331025	EXCEPTION LOC REQUEST
400331026	30 DAY NOTICE LETTER
400331027	SURFACE AGRMT/SURETY
400331028	TOPO MAP
400331051	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	10/22/2012 9:20:15 AM
Permit	Operator requests approval of a Rule 318Ac exception location: Wellhead is to be located more than 50' from an existing well location. Request and waiver attached.	10/10/2012 1:32:59 PM
Permit	Removed spacing orders. If location not built by 2A expiration 10/26/2013, Refile Form 2A must be approved prior to construction. OK to pass.	10/10/2012 11:38:35 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)