

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:

400332635

Date Received:

10/02/2012

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: Bonnie Lamond Phone: (720)876-5156 Fax: (720)876-6177

Email: bonnie.lamond@encana.com

7. Well Name: ALP Fee Well Number: 24-3D (J24NW)

8. Unit Name (if appl): Grass Mesa Unit Number: COC056608
X

9. Proposed Total Measured Depth: 8243

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 24 Twp: 6S Rng: 93W Meridian: 6

Latitude: 39.511587 Longitude: -107.721503

Footage at Surface: 2483 feet FNL/FSL FSL 1852 feet FEL/FWL FEL

11. Field Name: Mamm Creek Field Number: 52500

12. Ground Elevation: 5680 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 06/26/2012 PDOP Reading: 2.9 Instrument Operator's Name: C.D. Slaugh

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

Footage at Top of Prod Zone: FNL/FSL 1289 FNL 2607 FWL 1289 FNL 2607 FWL
Bottom Hole: FNL/FSL 1289 FNL 2607 FWL
Sec: 24 Twp: 6S Rng: 93W Sec: 24 Twp: 6S Rng: 93W

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: 703 ft

18. Distance to nearest property line: 698 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 280 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | | | |

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):

T6S-R93W Sec. 23: NESE Sec. 24: N2, NWSW, E2SE Sec. 25: E2NE, SWNE

25. Distance to Nearest Mineral Lease Line: 203 ft

26. Total Acres in Lease: 600

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 | 24 | 16 | Linepipe | 0 | 40 | 80 | 40 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,425 | 441 | 1,425 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 8,243 | 523 | 8,243 | 0 |

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

33. Comments Nearest distance is to a public road. The top of production cement will be 500 feet above top of gas.

34. Location ID: 335058

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: Bonnie Lamond

Title: Permitting Technician Date: 10/2/2012 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: Matthew Lee Director of COGCC Date: 11/26/2012

API NUMBER

05 045 21803 00

Permit Number: _____ Expiration Date: 11/25/2014

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
- 2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS IS REQUIRED.
- 3) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE MAMM CREEK FIELD NOTICE TO OPERATORS IS REQUIRED.
- 4) COMPLIANCE WITH THE NOTICE TO OPERATORS DRILLING WELLS IN THE BUZZARD, MAMM CREEK, AND RULISON FIELDS, GARFIELD COUNTY AND MESA COUNTY – PROCEDURES AND SUBMITTAL REQUIREMENTS FOR COMPLIANCE WITH COGCC ORDER NOS. 1-107, 139-56, 191-22, AND 369-2 (JULY 8, 2010) -- IS REQUIRED. SEE ATTACHED NOTICE.
- 5) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED. THIS REQUIREMENT SHALL SUPERSEDE THE TOP OF CEMENT REQUIREMENTS IN THE NEW MAMM CREEK FIELD NOTICE TO OPERATORS.

Applicable Policies and Notices to Operators

| |
|--|
| Mamm Creek Field Area Notice to Operators. |
| Piceance Rulison Field - Notice to Operators. |
| NW Colorado Notification Policy. |
| Bradenhead Pressure Reporting-Garfield County (Mamm Creek & Rulison Fields) Mesa County (Buzzard Field). |
| Notice Concerning Operating Requirements for Wildlife Protection. |

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 1533841 | SURFACE AGRMT/SURETY |
| 400332635 | FORM 2 SUBMITTED |
| 400332641 | 30 DAY NOTICE LETTER |
| 400332645 | WELL LOCATION PLAT |
| 400333339 | DEVIATED DRILLING PLAN |
| 400334477 | DIRECTIONAL DATA |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Attached revised SUA per oper. Distance to PA boundary is 1322'. No LGD or public comments. Final Review--passed | 11/19/2012 11:10:54 AM |
| Engineer | THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 400 FEET DEEP. | 10/17/2012 8:35:05 AM |
| Permit | Operator completed question no. 23 and amended directional drilling template/import to correlate with the deviated drill plan and excel spreadsheet. This form passed completeness. | 10/8/2012 7:44:13 PM |
| Permit | Return to draft: 1. Question No. 23 is incomplete. 2. Deviated drill plan and directional data excel spreadsheet values do not match directional drill template/import. | 10/4/2012 12:36:21 AM |

Total: 4 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|---|
| Wildlife | <p>Minimize the number, length and footprint of oil & gas development roads Use existing routes where possible Combine utility infrastructure planning (gas, electric & water) when possible with roadway planning to avoid separate utility corridors Coordinate Employee transport when possible</p> <p>Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors. Maximize use of state-of-the-art drilling technology (e.g., high efficiency rigs, coiled-tubing unit rigs, closed-loop or pitless drilling, etc.) to minimize disturbance.</p> <p>Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.</p> |
| Construction | <p>(Not all are used all the time) Terminal Containment, Diversions, Run-On Protection, Tracking, Benching, Terracing, ECM (Erosion Control Mulch), ECB (Erosion Control Blanket), Check Dams, Seeding, Mulching, Water Bars, Stabilized Unpaved Surfaces (Gravel), Stormwater & Snow Storage Containment, Scheduling, Phased Construction, Temporary Flumes, Culverts with inlet & outlet protection, Rip Rap, TRM (Turf Reinforcement Mats), Maintenance, Scheduling, Phased Construction, Fueling BMP's, Waste Management BMP's, Materials Handling BMP's</p> |
| Final Reclamation | <p>Maintenance Revegetation Monitoring BMP maintenance & monitoring Weed Management</p> |
| Pre-Construction | <p>Wattles, Silt Fence, Vegetation Buffers, Slash, Topsoil Windrows (diversions & ROP's), Scheduling, Phased Construction</p> |

Total: 4 comment(s)