

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:

400346253

Date Received:

11/14/2012

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) INC4. COGCC Operator Number: 1001855. Address: 370 17TH ST STE 1700City: DENVER State: CO Zip: 80202-56326. Contact Name: Bonnie Lamond Phone: (720)876-5156 Fax: (720)876-6177Email: bonnie.lamond@encana.com7. Well Name: Shideler Well Number: 30-8B (O19EB)8. Unit Name (if appl): Hunter Mesa Unit Number: COC055972

X

9. Proposed Total Measured Depth: 8176

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 19 Twp: 7S Rng: 92W Meridian: 6Latitude: 39.426207 Longitude: -107.705114

Footage at Surface: 597 feet FNL/FSL FSL 1627 feet FEL/FWL FEL

11. Field Name: Mamm Creek Field Number: 5250012. Ground Elevation: 6509 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 06/08/2012 PDOP Reading: 0.0 Instrument Operator's Name: Ted T. Taggart15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1546 FNL 499 FEL FEL Bottom Hole: FNL/FSL 1546 FNL 499 FEL FEL
 Sec: 30 Twp: 7S Rng: 92W Sec: 30 Twp: 7S Rng: 92W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1400 ft18. Distance to nearest property line: 679 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 420 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 ☐ Indian23. 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 ☐ No23b. 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):

T7S-R92W Sec 20: W2SE, SW Sec 29: W2NW, and all that part of the NENW and the NWNE situate North and West of the crest of a certain ridge which runs in a northeasterly and southwesterly direction through the above-described subdivisions of land. Sec 30: E2NE

25. Distance to Nearest Mineral Lease Line: 804 ft 26. Total Acres in Lease: 440

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	42	0	40	90	40	0
SURF	12+3/4	9+5/8	36	0	1,398	496	1,398	0
1ST	8+3/4	4+1/2	11.6	0	8,176	585	8,176	0

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

33. Comments This is a tapered hole: 14.75" hole to 200' MD, 12.25" hole to surface TD. 8.75" hole to top of gas, 7.875 hole to TD. TOC will be 500 feet or more above TOG. Nearest building is 1400 feet away.

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: Bonnie Lamond

Title: Permitting Technician Date: 11/14/2012 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: 12/6/2012

API NUMBER

05 045 21837 00

Permit Number: _____ Expiration Date: 12/5/2014

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 IS REQUIRED. (PROCEDURES AND SUBMITTAL REQUIREMENTS FOR COMPLIANCE WITH COGCC ORDERS NOS. 1-107, 139-56, 191-22, AND 369-2 (JULY 8, 2010)). SEE ATTACHED NOTICE.

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
400346253	FORM 2 SUBMITTED
400346255	WELL LOCATION PLAT
400346256	30 DAY NOTICE LETTER
400346257	SURFACE AGRMT/SURETY
400346552	DIRECTIONAL DATA
400346655	DEVIATED DRILLING PLAN

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	12/6/2012 7:42:55 AM
Permit	Distance to nearest unit boundary is 3205'.	11/30/2012 1:40:25 PM
LGD	Passed DB	11/21/2012 12:05:46 PM
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 175 FEET DEEP.	11/16/2012 3:49:10 PM
Permit	operator corrected deviated drilling plan values. This form passed completeness.	11/14/2012 11:33:44 PM
Permit	return to draft: operator to verify deviated drilling plan values match directional drilling data spreadsheet/template.	11/14/2012 1:11:48 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Pre-Construction	Wattles, Silt Fence, Vegetation Buffers, Slash, Topsoil Windrows (diversions & ROP's), Scheduling, Phased Construction
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>
Interim Reclamation	<p>Maintenance Revegetation Monitoring BMP maintenance & monitoring Weed Management</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>

Total: 4 comment(s)