

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:

400352894

Date Received:

12/14/2012

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

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

Refilling ☐Sidetrack ☐

PluggingBond SuretyID

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: JENNIFER LIND Phone: (720)876-5890 Fax: (720)876-6890Email: JENNIFER.LIND@ENCANA.COM7. Well Name: SG Well Number: WD01D-30 N304958. Unit Name (if appl): BIG JIMMY UNIT Unit Number: COC74105X9. Proposed Total Measured Depth: 10231

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 30 Twp: 4S Rng: 95W Meridian: 6Latitude: 39.670128 Longitude: -108.100122

Footage at Surface: 1477 feet FNL/FSL FSL 2126 feet FEL/FWL FWL

11. Field Name: WILDCAT Field Number: 9999912. Ground Elevation: 8308 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 12/02/2011 PDOP Reading: 1.0 Instrument Operator's Name: ROBERT KAY15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1038 FNL 92 FEL 1038 FNL 92 FEL 1038 FNL 92 FEL 1038
 Sec: 30 Twp: 4S Rng: 95W Sec: 30 Twp: 4S Rng: 95W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 260 ft18. Distance to nearest property line: 4641 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2154 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.)
WASATCH	WSTC			

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC6480522. 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 ☐ 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):

SEE ATTACHED MAP

25. Distance to Nearest Mineral Lease Line: 1605 ft

26. Total Acres in Lease: 1842

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: RECYCLE AND BURY

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	26	20	LINE PIPE	0	120	117	120	0
SURF	12+1/4	9+5/8	36	0	3,000	939	3,000	0
1ST	8+3/4	4+1/2	11.6	0	10,231	1,345	10,231	

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

33. Comments PLEASE NOTE THAT ENCANA OIL & GAS (USA) INC. IS THE SURFACE OWNER FOR THIS LOCATION. THIS WELL IS PROPOSED AS A WATER INJECTION WELL. THE FORM 26, FORM 31 AND FORM 33 WILL BE PROVIDED VIA US MAIL FOLLOWING THE SUBMISSION OF THIS FORM 2. #17 IS CALCULATED FROM NEAREST PUBLIC ROAD. SURFACE CASING HOLE SIZE WILL BE 14-3/4", 12-1/4" OR 13-1/2". CONDUCTOR CASING WILL BE CEMENTED TO SURFACE. PRODUCTION CASING WILL BE CEMENTED 200 INTO THE SURFACE CASING.

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: 12/14/2012 Email: JENNIFER.LIND@ENCANA.C

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: 1/11/2013

API NUMBER

05 045 21857 00

Permit Number: _____ Expiration Date: 1/10/2015

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) BEFORE STIMULATING WELL, CAPTURE WATER SAMPLE FROM THE FORMATION REQUESTED FOR INJECTION AND ANALYZE FOR TOTAL DISSOLVED SOLIDS. SUBMIT LAB ANALYSIS TO DENISE ONYSKIW AT DENISE.ONYSKIW@STATE.CO.US.

(4) INJECTION IS NOT AUTHORIZED UNTIL APPROVAL OF FORMs 31 AND 33.

(5) A STEP RATE TEST TO DETERMINE FRACTURE PRESSURE IS PERMISSIBLE BEFORE APPROVING FORMS 31 AND 33, BUT MUST BE GIVEN COGCC APPROVAL PRIOR TO CONDUCTING THE TEST. THE TEST VOLUME MUST NOT EXCEED 5,000 BBLs AND THE TEST DURATION MUST NOT EXCEED 5 DAYS, OR THE TEST VOLUME MUST NOT EXCEED 10,000 BBLs AND THE DURATION MUST NOT EXCEED 10 DAYS.

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400352894	FORM 2 SUBMITTED
400354838	WELL LOCATION PLAT
400355078	MINERAL LEASE MAP
400358624	TOPO MAP
400358626	DEVIATED DRILLING PLAN
400358629	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator has submitted injection permitting Forms 26, 31, and 33. No LGD or public comments. Final Review--passed.	1/10/2013 3:22:01 PM
Permit	Oper. submitted revised distance to road. Oper. corrected dist. to prop. line.	1/9/2013 8:08:23 AM
Permit	Property line distance incorrect? Distance to nearest unit boundary is 2885'.	1/2/2013 2:57:58 PM
LGD	Passed DB	12/20/2012 1:16:15 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 00 FEET DEEP.	12/19/2012 12:59:17 PM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)