

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:

400354396

Date Received:

12/06/2012

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

PluggingBond SuretyID

20100017

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: Billings Well Number: 22-18

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

9. Proposed Total Measured Depth: 8358

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 18 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.232100 Longitude: -105.053500

Footage at Surface: 254 feet FNL 445 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5214 13. County: WELD

14. GPS Data:

Date of Measurement: 11/19/2012 PDOP Reading: 1.5 Instrument Operator's Name: John McGehee

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 _____
1980 FNL 1980 FWL 1980 FNL 1980 FWL
Sec: 18 Twp: 3N Rng: 68W Sec: 18 Twp: 3N Rng: 68W

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: 241 ft

18. Distance to nearest property line: 254 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 117 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	407	80	E/2NW/4
J SAND	JSND	232	320	
NIOBRARA	NBRR	407	80	E/2NW/4

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):

See attached map.

25. Distance to Nearest Mineral Lease Line: 708 ft 26. Total Acres in Lease: 160

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	640	180	640	0
1ST	7+7/8	4+1/2	11.6	0	8,358	480	8,358	7,263

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

33. Comments No conductor casing will be utilized. Encana requests the approval of a 318A(l).a.(1) exception location as the well head is to be located outside of a GWA drilling window. Request letter and waivers attached. Proposed spacing unit is NW/4, N/2. Tank Battery information can be found on 2A Document # 400353938. Regarding the Out of Window Waiver, the surface owner has been made aware of the name changes and has no issues with it. The surface locations that were waived have not changed, just the names.

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: Erin Hochstetler

Title: Permitting Technician Date: 12/6/2012 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: 1/25/2013

API NUMBER

05 123 36620 00

Permit Number: _____ Expiration Date: 1/24/2015

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.

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

- 1) Note surface casing setting depth change from 450' to 640'. Increase cement coverage accordingly.
- 2) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1695336	EXCEPTION LOC REQUEST
1695337	EXCEPTION LOC WAIVERS
1695338	EXCEPTION LOC REQUEST
1695339	EXCEPTION LOC WAIVERS
1772232	SURFACE CASING CHECK
400354396	FORM 2 SUBMITTED
400355128	WELL LOCATION PLAT
400355130	MINERAL LEASE MAP
400355132	DEVIATED DRILLING PLAN
400355134	DIRECTIONAL DATA
400359821	30 DAY NOTICE LETTER

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	1/24/2013 12:22:01 PM
Permit	Received form 2A. off public comment on 1/23/13. ok to pass.	1/11/2013 11:07:54 AM
Permit	Received and attached exception from twinning letter and waiver. Operator confirmed spacing for NB-CD of 80 acres, E/2NW/4. ON HOLD: w/o form 2A in draft.	1/4/2013 8:53:08 AM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached.	12/21/2012 3:30:21 PM
Permit	ON HOLD: Requesting exception from twinning letter. Operator needs to confirm the spacing. w/o form 2A.	12/21/2012 3:28:46 PM
Permit	Operator made requested changes. This form has passed completeness.	12/18/2012 11:38:25 AM
Permit	Return to draft: 1. 30 day notice letter does not reference the Billings 22-18 Well, 2. exception location waiver SHL (253' FNL/415'FWL) does not match question #10 on form, 3. topo map does not adequately reference location, 4. question #10, submitted SHL 254' FSL does not match well location plat SHL 254' FNL.	12/7/2012 11:46:20 PM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)