

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



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Date Received:

12/11/2012

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: MIRACLE PFISTER Phone: (720)876-3761 Fax: (720)876-4861Email: miracle.pfister@encana.com7. Well Name: IONE Well Number: 1B-10H

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

9. Proposed Total Measured Depth: 12109

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 10 Twp: 2N Rng: 66W Meridian: 6Latitude: 40.157830 Longitude: -104.758670

Footage at Surface: 767 feet FNL/FSL 1362 feet FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 9075012. Ground Elevation: 4999 13. County: WELD

14. GPS Data:

Date of Measurement: 10/04/2012 PDOP Reading: 1.8 Instrument Operator's Name: RICE15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 753 FNL 2055 FEL 460 FSL 2050 FEL 460
 Sec: 10 Twp: 2N Rng: 66W Sec: 10 Twp: 2N Rng: 66W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 3367 ft18. Distance to nearest property line: 767 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 135 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.)
Niobrara	NBRR		320	GWA

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):

E2W2 & W2E2 SEC 10 T2N-R66W

25. Distance to Nearest Mineral Lease Line: 767 ft

26. Total Acres in Lease: 1880

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	22	16	30	0	80	80	80	0
SURF	12+1/4	9+5/8	40	0	827	225	827	0
1ST	8+3/4	7	26	0	7,771	952	7,771	4,085
2ND	6+1/8	4+1/2	13.5	0	11,851	361	11,851	7,471

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

33. Comments THE NEAREST DISTANCE IS TO A ABOVE GROUND UTILITY. Encana requests the approval of a 318A(I).a.(1) and 318A(I).c(1) exception location as the well head is to be located outside of a GWA drilling window and further than 50' from an existing well. Request letter and waivers attached. Encana requests the approval of the omission of open hole logs, request letter attached. Proposed spacing unit is E2W2 & W2E2 of Sec.10-T2N-R66W.

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: MIRACLE PFISTER

Title: REGULATORY ANALYST Date: 12/11/2012 Email: miracle.pfister@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: 2/14/2013

API NUMBER

05 123 36774 00

Permit Number: _____ Expiration Date: 2/13/2015

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)Provide notice of MIRU via an electronic Form 42.

2)Comply with Rule 317.i and provide cement coverage to a minimum of 200' above the Niobrara. Verify cement coverage with a cement bond log per 317.o.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num	Name
1695543	PROPOSED SPACING UNIT
2482115	SURFACE CASING CHECK
400346591	FORM 2 SUBMITTED
400356790	EXCEPTION LOC WAIVERS
400356882	OTHER
400356883	PLAT
400356884	30 DAY NOTICE LETTER
400356891	LEASE MAP
400356899	DEVIATED DRILLING PLAN
400356978	EXCEPTION LOC REQUEST
400369772	VARIANCE REQUEST
400371103	DIRECTIONAL DATA

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	2/14/2013 10:28:44 AM
Permit	Received and attached corrected 30 Day Cert letter & Proposed Spacing Unit map. ok to pass.	2/13/2013 2:02:38 PM
Permit	ON HOLD: Requesting corrected 30 Day Cert letter & Proposed Spacing Unit map.	2/11/2013 9:18:45 AM
Permit	Operator's request for omission of open hole logs.	2/11/2013 9:06:16 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.	2/11/2013 9:04:44 AM
Engineer	Evaluated offset wells for adequate cement coverage.	2/6/2013 7:22:42 AM
Permit	The 123-34948 IONE 4B-10H well was abandoned 2/5/2013.	2/5/2013 3:55:35 PM
Permit	ON HOLD: distance to nearest well HZ @ 0'. 123-34948 IONE 4B-10H also NB well. Crosses at depth approx 500' FSL.	2/4/2013 10:07:54 AM
Permit	Corrected SHL footage to 2N66W added Engineer.	2/4/2013 10:04:22 AM
Permit	Location plat now attached, all OK.	1/23/2013 9:07:25 AM
Permit	Returned to DRAFT as there is no Well Location Plat. Requested from Operator.	1/18/2013 12:59:49 PM
Permit	Return to draft: 1. complete well location is incomplete on the directional drilling data spreadsheet and template/import, 2. question #10 submitted qtrqtr (NWNE) conflicts with well location plat (NWNW), variance request letter (NWNW), omission open hole letter (NWNE) and 30 day notice letter (NENE).	12/13/2012 12:11:11 AM

Total: 12 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
Drilling/Completion Operations	Encana will comply with the "COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012.

Total: 2 comment(s)