

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:

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Date Received:

02/14/2013

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: Erin Hochstetler Phone: (720)876-5827 Fax: ()

Email: erin.hochstetler@encana.com

7. Well Name: Qualls Well Number: 3B-28H

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

9. Proposed Total Measured Depth: 11524

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 28 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.191640 Longitude: -105.016410

Footage at Surface: 812 feet FSL 261 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4957 13. County: WELD

14. GPS Data:

Date of Measurement: 12/12/2012 PDOP Reading: 1.5 Instrument Operator's Name: RICE

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
2117 FSL 742 FWL 2062 FSL 460 FEL
Sec: 28 Twp: 3N Rng: 68W Sec: 28 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: 231 ft

18. Distance to nearest property line: 261 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 86 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 ☐ 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):

Horizontal well crosses lease lines within GWA horizontal wellbore unit. See attached lease map.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 125

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	800	100	800	0
1ST	8+3/4	7	26	0	7,424	419	7,424	500
2ND	6+1/8	4+1/2	13.5	0	11,524	168	11,524	7,124

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

33. Comments Encana requests the approval of a 318A(I).a.(1) exception location as the well head is to be located outside of a GWA drilling window. Request letter and waivers attached. Operator requests approval of a Rule 318Am exception location: Wellbore is to be located less than 150' from an existing wellbore. Request and waivers attached. Encana also requests the approval of the omission of open hole logs, request letter attached. Proposed spacing unit is S/2 of Section 28.

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: 2/14/2013 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: 4/29/2013

API NUMBER

05 123 37260 00

Permit Number: _____ Expiration Date: 4/28/2015

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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. 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.

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

Attachment Check List

Att Doc Num	Name
1695591	VARIANCE REQUEST
1695592	SURFACE AGRMT/SURETY
1695660	OTHER
400375857	FORM 2 SUBMITTED
400375935	30 DAY NOTICE LETTER
400375936	EXCEPTION LOC WAIVERS
400375938	EXCEPTION LOC REQUEST
400375939	PROPOSED SPACING UNIT
400375940	MINERAL LEASE MAP
400375941	WELL LOCATION PLAT
400381655	DEVIATED DRILLING PLAN
400381657	DIRECTIONAL DATA

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Recieved and attached Open Hole Log Omission Request letter. ok to pass.	4/29/2013 1:55:56 PM
Permit	ON HOLD: Requesting Open Hole Log Omission Request letter. Attached SUA and removed surface bond info per operator.	3/6/2013 8:43:22 AM
Permit	Received and attached Variance Request letter. Mineral lease is SE/4. Distance to nearest mineral lease is 0'. Distance to nearest well is 86' per operator. ON HOLD: requesting Open Hole Log Omission Request letter and SUA.	2/28/2013 9:56:14 AM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	2/28/2013 9:56:13 AM
Permit	Operator requests approval of a Rule 318Am exception location: Wellbore is to be located less than 150' from an existing wellbore. Request and waivers attached.	2/28/2013 9:56:11 AM
Permit	ON HOLD: Requesting clarification of Mineral lease for this pad. Distance to nearest mineral lease. Confirmation of the Distance to nearest well. Per operator changed the unit acreage to 320 and the unit config to GWA for the entire pad.	2/22/2013 2:22:33 PM
Permit	Operator's request for omission of open hole logs.	2/22/2013 2:22:32 PM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.	2/22/2013 2:22:31 PM
Permit	Passed completeness.	2/19/2013 12:35:36 PM
Permit	Returned to draft: 1) Surface surety bond # missing.	2/15/2013 7:10:45 AM

Total: 10 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 acknowledges that the Anadarko owned well, Elmer Hergenreder #1 - API # 05 -123-07620 is 149' away from the proposed Qualls 3B-28H. Anadarko has agreed to P&A this well before Encana does any stimulation to the wellbore of the Qualls 3B-2H. Encana is aware that this well must be plugged by that time and will make sure to follow through with Anadarko that the work is complete.
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: 3 comment(s)