

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:

400421632

Date Received:

05/21/2013

PluggingBond SuretyID

20100017

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER ☐ UNPLANNED ☐
 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: Chris McRickard Phone: (720)876-5586 Fax: (720)876-6584Email: chris.mcrickard@encana.com7. Well Name: State Well Number: 1D-16H8. Unit Name (if appl): Unit Number: 9. Proposed Total Measured Depth: 11634

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 16 Twp: 3N Rng: 68W Meridian: 6Latitude: 40.228870 Longitude: -105.000250

Footage at Surface: 1583 feet FNL/FSL 465 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 5016 13. County: WELD

14. GPS Data:

Date of Measurement: 01/01/2012 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 1203 FNL 765 FEL 1150 FNL 460 FEL FWL
 Sec: 16 Twp: 3N Rng: 68W Sec: 16 Twp: 3N Rng: 68W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 451 ft18. Distance to nearest property line: 410 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 407 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 #: 139222. 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):

N2 Sec. 16 T3N, R68W, Weld County, Colorado.

25. Distance to Nearest Mineral Lease Line: 460 ft

26. Total Acres in Lease: 320

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	833	100	833	0
1ST	8+3/4	7	26	0	7,641	440	7,641	0
2ND	6+1/8	4+1/2	13.5	0	11,673	166	11,673	7,292

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

33. Comments Due to downhole problems with equipment becoming lodged, we will need to sidetrack. A dialogue of the events follow which were communicated to Diana Burn on 05/20/2013 for her verbal approval to proceed. • After drilling the 8 3/4" hole to landing point @ 7686' MD, 7161' TVD, Inclination 92.1 and Azimuth 269.6 we began our clean-up cycle to condition hole and prepare for 7" casing run. • At the end of the clean-up cycle there was a differential pressure spike to 1680 psi and an immediate loss of 300 – 330 psi off bottom pressure. • We tripped out of the hole to find that 28.1' of the mud motor, and the bit (1') had separated from the bottom hole assembly, and were left in the hole. • The first attempt to fish the items left in hole was unsuccessful, which prompted a clean out run, utilizing an 8 3/4" mill tooth bit and drill collars. We tripped in the hole and tagged the fish at 7557' MD. We chased the fish to bottom, circulated and conditioned the hole, and tripped out to pick up fishing equipment. • We tripped in to 5' above the fish, circulated the hole clean, and began working over the top of the fish. After 8 hours of milling / rotating on the fish, we fired the jars and attempted to latch onto the fish. We tripped out of the hole and discovered the attempt was unsuccessful. • We made the decision to set a cement plug back to kick off point, and re-drill the curve to landing point. ii. Total measured depth reached in the wellbore being plugged back• 7686' MD iii. Casing set – size(s) and measured depth(s)• 9 5/8", N-80, 40# set at 833' MD iv. Description of fish in the hole (if any) – including top and bottom measured depths• Smith 611 PDC bit, Bottom – 7686' Top – 7685' • CES Positive displacement Motor, Power section, Fixed Housing, Bearing Pack and Bit Box. Bottom – 7685' Top – 7657' v. Measured setting depths of proposed plugs, heights, and cement volumes• Plug 1 – Bottom 7600' Top 6900' o 373 sks 17.5 ppg PlugCem• Plug 2 – Bottom 6900' Top 6200' o 373 sks 17.5 ppg PlugCem vi. Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk)• 17.5ppg PlugCem, 0.94 yield (cf/sk) vii. Measured depth of proposed sidetrack kick-off point• 6400' MD viii. Proposed objective formation(s) for sidetrack hole – new or same as the wellbore being abandoned• Same – Niobrara B Chalk ix. BHL target for sidetrack hole – same as the wellbore being abandoned (NOTE: a change in the BHL must be reviewed and approved by COGCC Permitting prior to completing the sidetrack. Drilling a sidetrack to an unapproved BHL could result in an NOAV, plugging the well, or both). • Same BHL – 11,634'MD, 379.2 North , 4,341.7 West

34. Location ID: 431829

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: Chris McRickard

Title: Permitting Technician

Date: 5/21/2013

Email: chris.mcrickard@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: 5/30/2013

API NUMBER

05 123 36853 01

Permit Number: _____ Expiration Date: 5/29/2015

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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400421632	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	5/30/2013 8:15:02 AM
Engineer	verbally approved sidetrack	5/29/2013 11:21:41 AM
Permit	Form 4 doc # 400422662. ok to pass.	5/24/2013 8:25:24 AM
Permit	Sidetrack to 123-36853-00 State 1D-16H. W/o form 4.	5/22/2013 10:01:30 AM
Permit	Returned to draft: No plugging bond.	5/22/2013 7:48:55 AM

Total: 5 comment(s)

BMP

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