

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109



02145399

SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.)

Rec'd 6/20/13

1. OGCC Operator Number: 100185 4. Contact Name: Jennifer Lind
2. Name of Operator: Encana Oil & Gas (USA) Inc.
3. Address: 370 17th Street Suite 1700
5. API Number 05- OGCC Facility ID Number 316378
6. Well/Facility Name: Left Fork 7. Well/Facility Number 6502
8. Location (Qtr/Qtr, Sec, Twp, Rng, Meridian): NENW-Sec. 23-T2S-R99W, 6th PM
9. County: Rio Blanco 10. Field Name: Sulphur Creek
11. Federal, Indian or State Lease Number:

Complete the Attachment Checklist

OP OGCC

General Notice

CHANGE OF LOCATION: Attach New Survey Plat (a change of surface qtr/qtr is substantive and requires a new permit)
CHANGE SPACING UNIT
CHANGE OF OPERATOR (prior to drilling):
CHANGE WELL NAME NUMBER
ABANDONED LOCATION:
NOTICE OF CONTINUED SHUT IN STATUS
SPUD DATE:
REQUEST FOR CONFIDENTIAL STATUS (6 mos from date casing set)
SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK
RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004.

Technical Engineering/Environmental Notice

Notice of Intent
Report of Work Done
Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)
Intent to Recomplete (submit form 2)
Request to Vent or Flare
E&P Waste Disposal
Change Drilling Plans
Repair Well
Beneficial Reuse of E&P Waste
Gross Interval Changed?
Rule 502 variance requested
Status Update/Change of Remediation Plans
Casing/Cementing Program Change
Other: Water Reuse Plan for Spills and Releases

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Jennifer Lind Date: 4/25/13 Email: jennifer.lind@encana.com
Print Name: Jennifer Lind Title: Regulatory Analyst

OGCC Approved: [Signature] Title: Env. Sup. Date: 6/28/13

CONDITIONS OF APPROVAL, IF ANY:

- Produced water or flowback water or other exploration and production waste shall NOT be temporarily stored in large volume storage tanks (LVSTs). Produced water or flowback water shall be temporarily stored in frac tanks.

TECHNICAL INFORMATION PAGE



FOR OGCC USE ONLY

1. OGCC Operator Number: <u>100185</u> API Number: <u>05-</u>
2. Name of Operator: <u>Encana Oil & Gas (USA) Inc.</u> OGCC Facility ID # <u>316378</u>
3. Well/Facility Name: <u>Left Fork</u> Well/Facility Number: <u>6502</u>
4. Location (QtrQtr, Sec, Twp, Rng, Meridian): <u>NENW-Sec.23-T2S-R99W, 6th PM</u>

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. **DESCRIBE PROPOSED OR COMPLETED OPERATIONS**

Please see the proposed, attached "Receiving Operator Water Reuse Plan" to allow a temporary produced water transfer agreement between WPX Energy Rocky Mountain, LLC (WPX) and Encana Oil & Gas (USA) Inc. (Encana). Encana has a need for up to 200,000 barrels (bbls) of produced water for exploration & production operations in Rio Blanco County, Colorado. WPX operates wells in the Sulphur Creek Field (Ryan Gulch and Ryan Gulch Unit) located in Rio Blanco County, Colorado located near Encana's location currently in need of produced water. WPX is currently sending 6,000-10,000 bbls per day of excess non-tributary produced and flowback water to our approved, existing injection wells for downhole disposal and injection.

Encana would like to receive water for beneficial re-use. If permitted to do so, water will be collected at WPX's approved Mautz Ranch Multi-Well Pit (Facility ID 428428, SENW Sec. 19, T2S-R98W, 6th PM) and piped to the Custody Transfer Point in the NWSW of Sec 23, T2S-R99W). Water will be piped to the Custody Transfer Point via WPX's proposed, buried water line. A riser and manifold will be installed in WPX's water line at the Custody Transfer Point, which will accommodate the transfer from WPX's buried water line into Encana's proposed surface line which runs from the Custody Transfer Point to their Left Fork 6502 well pad (COGCC ID 316378, NENW of Sec 23, T2S-R99W). Encana will test and verify compatibility of the produced water provided by WPX Energy. Transfer of produced water would begin upon COGCC and BLM approval and terminate after 180 days with an option for extension. From the custody transfer point, Encana will reuse the transferred water at the following location: BHDU A11 2100 pad, COGCC ID 425361, NENE Sec 11 T2S, R100W, Rio Blanco County, Colorado

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Receiving Operator Water Reuse Plan

**Encana Oil & Gas (USA) Inc and WPX Energy Rocky
Mountain, LLC**

April 2013

Purpose and Need

This water re-use plan is to be submitted to the Colorado Oil and Gas Conservation Commission (COGCC) with a Form 4 (sundry) to allow a temporary produced water transfer agreement between Encana Oil & gas (USA) Inc (Encana) and WPX Energy Rocky Mountain, LLC (WPX).

NENW-Sec.23-T2S-R99W, 6th PM

Benefits

Under this plan, each party shall use reasonable and available means to safely transfer production water, in sufficient volumes and quality, to meet the other party's transfer request, when mutually agreeable to do so. The benefits include:

- Less fresh water withdraws from surface water sources;
- Less reliance on injection wells for disposal of production/flowback water;
- Increased operational efficiencies from reusing local supplies of production/flowback water to meet water demands for drilling, completion and workover activities.

Produced Fluid Pickup and Transfer Location

Produced water will be collected at the approved Mautz Ranch multi-well pit and piped to Encana's identified delivery location on the Left Fork 6502 well pad (COGCC ID 316378) via existing and proposed buried and surface water lines operated by WPX and Encana. The transferring company (WPX) shall maintain all regulatory responsibility, custody and control for all water until such time as it crosses the Custody Transfer Point, after which Encana will assume regulatory responsibility, custody and control for all water. Exact location of the Custody Transfer Point is Lat 39.860170°/Long -108.476285°. See attached map for additional detail on the custody transfer point.

From the custody transfer point, Encana will reuse the transferred water at the following location:

BH DU A11 2100 pad, COGCC ID 425361, NENE Sec 11 T2S, R100W, Rio Blanco County, Colorado

Receipt

Encana's receiving activities will consist of the following:

Receipt of water from WPX's Mautz Ranch Multi-Well Pit (Facility ID 428428) will occur at the Custody Transfer Point located in Rio Blanco County, Colorado. Encana will assume responsibility of the water once it enters the manifold connecting WPX Energy's buried water line to Encana's surface water line and will assume responsibility for unloading activities.

The volumes of fluid to be delivered will be up to 10,000 bbls/day; actual transferred volumes will be metered.

The transfer operator will maintain records with the following information:

- Changes to the approved plan;
- Applicable training requirements for its contractors (lock out/ tag out, job hazard analysis at the transfer location, etc.);
- Types and results of internal and contractor audits conducted;
- Tabulated waste generator records, if required by Rule 907.b.(2) including:
 - Date of transport
 - Identity of water generator
 - Identity of water transporter
 - Volume of water transported
 - Location of receiving point
(Transport tickets will be maintained for each load)
- Summary of spills, incidents or upsets;

Spill Response and Cleanup Measures

WPX's collection facilities are covered under a Spill Prevention Control and Countermeasure Plan (SPCC).

Encana's receiving points are also covered under a SPCC plan.

Analytical Data

An analysis representative of the water to be transferred to Encana will be included as Attachment A.

Operator Contact Information

WPX Energy Rocky Mountain LLC
Lisa Dee
Regulatory Specialist
1058 County 215
Parachute, CO 81635
720.470.4919 Mobile
970.263.2738 Office

ENCANA OIL & GAS (USA) Inc.
Louie Gibson
Trucking Supervisor: SRBU Water Management
143 Diamond Ave.
Parachute, CO 81635
970.489.1749 Office
970.989.0143 Mobile

Summary

Proposed use of water – Encana’s Rio Blanco County drilling and completion activities;

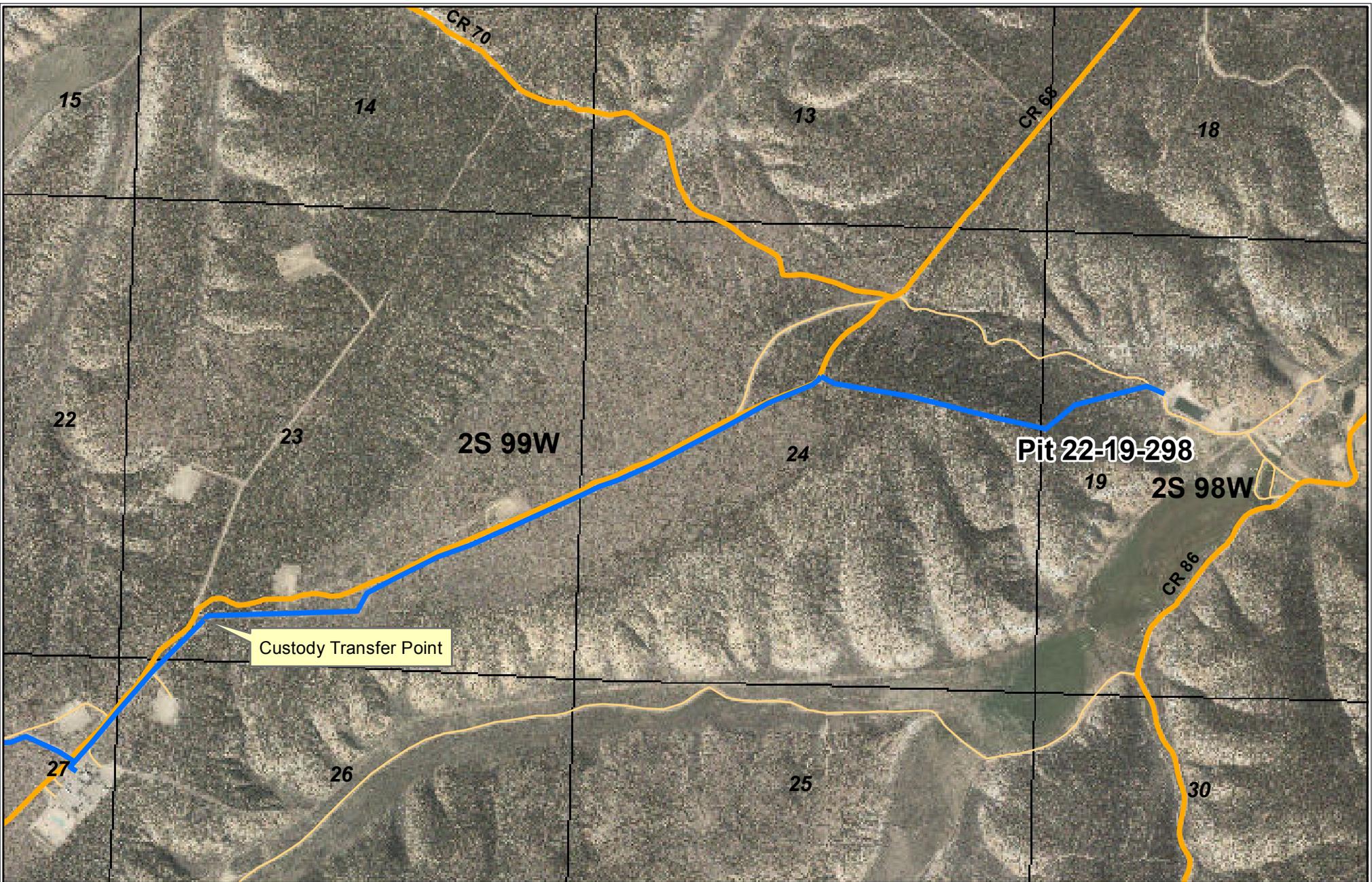
Destination of water – Encana’s Left Fork 6502 well pad (COGCC ID 316378) located in Rio Blanco County, Colorado;

Water Transportation – All water transported to Encana will be piped via existing and proposed buried water lines used by WPX and Encana.

Estimated volume of water transferred – up to 10,000 bbls/day for up to 180 days.

The receiving operator shall implement the following:

- IF LOCATIONS ARE IN A SENSITIVE AREA BECAUSE OF ITS PROXIMITY TO SURFACE WATER OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT THE WATER HANDLING FACILITY SITE DURING NATURAL GAS DEVELOPMENT ACTIVITIES AND OPERATIONS; INCLUDING, BUT NOT LIMITED TO, CONSTRUCTION OF A BERM OR DIVERSION DIKE, DIVERSION/COLLECTION TRENCHES WITHIN AND/OR OUTSIDE OF BERMS/DIKES, SITE GRADING, OR OTHER COMPARABLE MEASURES (I.E., BEST MANAGEMENT PRACTICES (BMPS) ASSOCIATED WITH STORMWATER MANAGEMENT) SUFFICIENTLY PROTECTIVE OF NEARBY SURFACE WATER. ANY BERM CONSTRUCTED AT THE WELL PAD LOCATION WILL BE STABILIZED, INSPECTED AT REGULAR INTERVALS (AT LEAST EVERY 14 DAYS), AND MAINTAINED IN GOOD CONDITION.
- OPERATOR MUST IMPLEMENT BEST MANAGEMENT PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS, INCLUDING ANY FLUIDS CONVEYED VIA TEMPORARY SURFACE PIPELINES.
- OPERATOR SHALL PROVIDE OVERFLOW PROTECTION FOR EACH TANK PROPOSED IN THE FACILITY PLANS, IF TANKS ARE USED.
- TERMINATION OF ACTIVITIES: BOTH ENCANA AND WPX SHALL NOTIFY THE COGCC VIA SUNDRY IMMEDIATELY UPON TERMINATION OF ACTIVITIES.
- ENCANA AND WPX WILL EACH SEPERATELY SUBMIT AN ANNUAL REPORT TO THE COGCC SUMMARIZING THE TRANSFER OF PRODUCTION WATER (BOTH AS TRANSFER AND RECEIVING OPERATOR) DURING THE CALENDAR YEAR AND INCLUDING LABORATORY ANALYTICAL RESULTS FOR REPRESENTATIVE SAMPLE(S) OF THE PRODUCTION WATER PROVIDED AS THE TRANSFER/RECIEVER. THE ANNUAL REPORT SHALL BE SUBMITTED ON OR BEFORE THE ANNIVERSAY OF THE FIRST DATE OF TRANSFER.

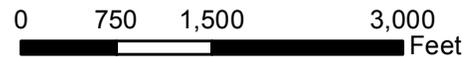


Legend

- Existing Water Line
- County Road
- Other Road

Temporary Water Sharing Agreement

WPX Energy and Encana



Mantz

Receiving Operator Water Reuse Plan
Encana Oil & Gas (USA) Inc and
WPX Energy Rocky Mountain, LLC

June 2013

Purpose and Need

This water re-use plan is to be submitted to the Colorado Oil and Gas Conservation Commission (COGCC) with a Form 4 (sundry) to allow a temporary produced water transfer agreement between Encana Oil & gas (USA) Inc (Encana) and WPX Energy Rocky Mountain, LLC (WPX).

Encana has a need for up to 200,000 barrels (bbls) of produced water for exploration & production operations in Rio Blanco County, Colorado. WPX operates wells in the Sulphur Creek Field (Ryan Gulch and Ryan Gulch Unit) located in Rio Blanco County, Colorado located near Encana's location currently in need of produced water. WPX is currently sending 6,000-10,000 bbls per day of excess non-tributary produced and flowback water to our approved, existing injection wells for downhole disposal and injection.

Encana would like to receive water for beneficial re-use. If permitted to do so, water will be collected at WPX's approved Mautz Ranch Multi-Well Pit:

- Facility ID 428428, SENW Sec. 19, T2S-R98W, 6th PM

and piped to the **Custody Transfer Point** in the NWSW of Sec 23, T2S-R99W. Water will be piped to the Custody Transfer Point via WPX's proposed, buried water line (see Exhibit A). A riser and manifold will be installed in WPX's water line at the Custody Transfer Point, which will accommodate the transfer from WPX's buried water line into Encana's proposed surface line which runs from the Custody Transfer Point to their Left Fork 6502 well pad (COGCC ID 316378, NENW of Sec 23, T2S-R99W) (see Exhibit B).

Encana will test and verify compatibility of the produced water provided by WPX Energy. Transfer of produced water would begin upon COGCC and BLM approval and terminate after 180 days with an option for extension.

Benefits

Under this plan, each party shall use reasonable and available means to safely transfer production water, in sufficient volumes and quality, to meet the other party's transfer request, when mutually agreeable to do so. The benefits include:

- Less fresh water withdraws from surface water sources;
- Less reliance on injection wells for disposal of production/flowback water;
- Increased operational efficiencies from reusing local supplies of production/flowback water to meet water demands for drilling, completion and workover activities.

Produced Fluid Pickup and Transfer Location

Produced water will be collected at the approved Mautz Ranch multi-well pit and piped to Encana's identified delivery location on the Left Fork 6502 well pad (COGCC ID 316378) via existing and proposed buried and surface water lines operated by WPX and Encana. The transferring company (WPX) shall maintain all regulatory responsibility, custody and

control for all water until such time as it crosses the Custody Transfer Point, after which Encana will assume regulatory responsibility, custody and control for all water. Exact location of the Custody Transfer Point is Lat 39.860170° / Long -108.476285° (as depicted on Exhibits A and B).

From the custody transfer point, Encana will reuse the transferred water at the following location:

BH DU A11 2100 pad, COGCC ID 425361, NENE Sec 11 T2S, R100W, Rio Blanco County, Colorado

Receipt

Encana's receiving activities will consist of the following:

Receipt of water from WPX's Mautz Ranch Multi-Well Pit (Facility ID 428428) will occur at the Custody Transfer Point located in Rio Blanco County, Colorado. Encana will assume responsibility of the water once it enters the manifold connecting WPX Energy's buried water line to Encana's surface water line and will assume responsibility for unloading activities.

The volumes of fluid to be delivered will be up to 10,000 bbls/day; actual transferred volumes will be metered.

The transfer operator will maintain records with the following information:

- Changes to the approved plan;
- Applicable training requirements for its contractors (lock out/ tag out, job hazard analysis at the transfer location, etc.);
- Types and results of internal and contractor audits conducted;
- Tabulated waste generator records, if required by Rule 907.b.(2) including:
 - Date of transport
 - Identity of water generator
 - Identity of water transporter
 - Volume of water transported
 - Location of receiving point
(Transport tickets will be maintained for each load)
- Summary of spills, incidents or upsets;

The water will be transferred via Encana's proposed temporary surface line (as depicted on Exhibit B) into temporary frac tanks for storage on Encana's Left Fork 6502 location. From there, the water will be transferred via existing buried pipelines to the BH DU A11 2100 pad (COGCC ID 425361) in the NENE Sec 11 T2S, R100W, Rio Blanco County, Colorado (see Exhibit C).

Best Management Practices

The following BMP's will be applied at the custody transfer point:

- A valve will be installed along WPX's buried water line. The valve will contain a riser and a 6" valve which will accommodate Encana's proposed 6" surface water line.

- Accidental backflow through WPX's buried line and Encana's surface line will be managed at the Mautz Ranch Pit. Since the water is originating from the pit, any backflows realized during transfer could easily be re-contained in the Mautz Ranch pit without overflowing the pit.
- While operating the line there will be an operator on site at all times
- All line connections checked prior to startup and pressure tested as needed to prevent leaks
- Conduct safety meetings to insure all proper operating conditions are maintained

Spill Response and Cleanup Measures

WPX's collection facilities are covered under a Spill Prevention Control and Countermeasure Plan (SPCC).

Encana's receiving points are also covered under a SPCC plan.

Analytical Data

An analysis representative of the water to be transferred to Encana will be included with the Transferring Operator Water Reuse Plan.

Operator Contact Information

WPX Energy Rocky Mountain LLC
 Lisa Dee
 Regulatory Specialist
 1058 County 215
 Parachute, CO 81635
 720.470.4919 Mobile
 970.263.2738 Office

ENCANA OIL & GAS (USA) Inc.
 Louie Gibson
 Trucking Supervisor: SRBU Water Management
 143 Diamond Ave.
 Parachute, CO 81635
 970.489.1749 Office
 970.989.0143 Mobile

Summary

Proposed use of water – Encana's Rio Blanco County drilling and completion activities;

Destination of water – Encana's Left Fork 6502 well pad (COGCC ID 316378) located in Rio Blanco County, Colorado;

Water Transportation – All water transported to Encana will be piped via existing and proposed buried water lines used by WPX and Encana.

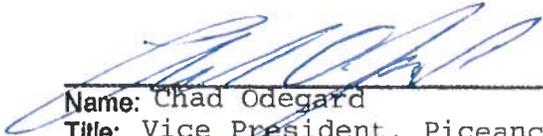
Estimated volume of water transferred – up to 10,000 bbls/day for up to 180 days.

The receiving operator shall implement the following:

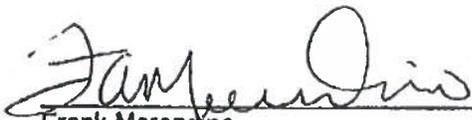
- If locations are in a sensitive area because of its proximity to surface water operator must ensure 110 percent secondary containment for any volume of fluids contained at the water handling facility site during natural gas development activities and operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.
- Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines.
- Operator shall provide overflow protection for each tank proposed in the facility plans, if tanks are used.
- Termination of activities: both Encana and WPX shall notify the COGCC via sundry immediately upon termination of activities.
- Encana and WPX will each separately submit an annual report to the COGCC summarizing the transfer of production water (both as transfer and receiving operator) during the calendar year and including laboratory analytical results for representative samples(s) of the production water provided as the transfer/receiver. The annual report shall be submitted on or before the anniversary of the first date of transfer.

Authorization and Point of Contact

This production Water Reuse and Waste Minimization Plan for Water Transfers Between Encana Oil & Gas (USA) Inc. and WPX Energy Rocky Mountain LLC is hereby authorized for implementation by:


Name: Chad Odegard
Title: Vice President, Piceance Basin
WPX Energy Rocky Mountain LLC

5-20-13
Date


Frank Merendino
Group Lead, Drilling and Completions
SRBU - North Piceance
Encana Oil & Gas (USA) Inc.

5-16-2013
Date

The point of contact representing WPX is:

Lisa Dee
Regulatory Specialist
1058 County 215
Parachute, CO 81635
720.470.4919 Mobile
970.263.2738 Office

The point of contact representing Encana is:

Louie Gibson
Trucking Supervisor: SRBU Water Management
143 Diamond Ave.
Parachute, CO 81635
970.489.1749 Office
970.989.0143 Mobile

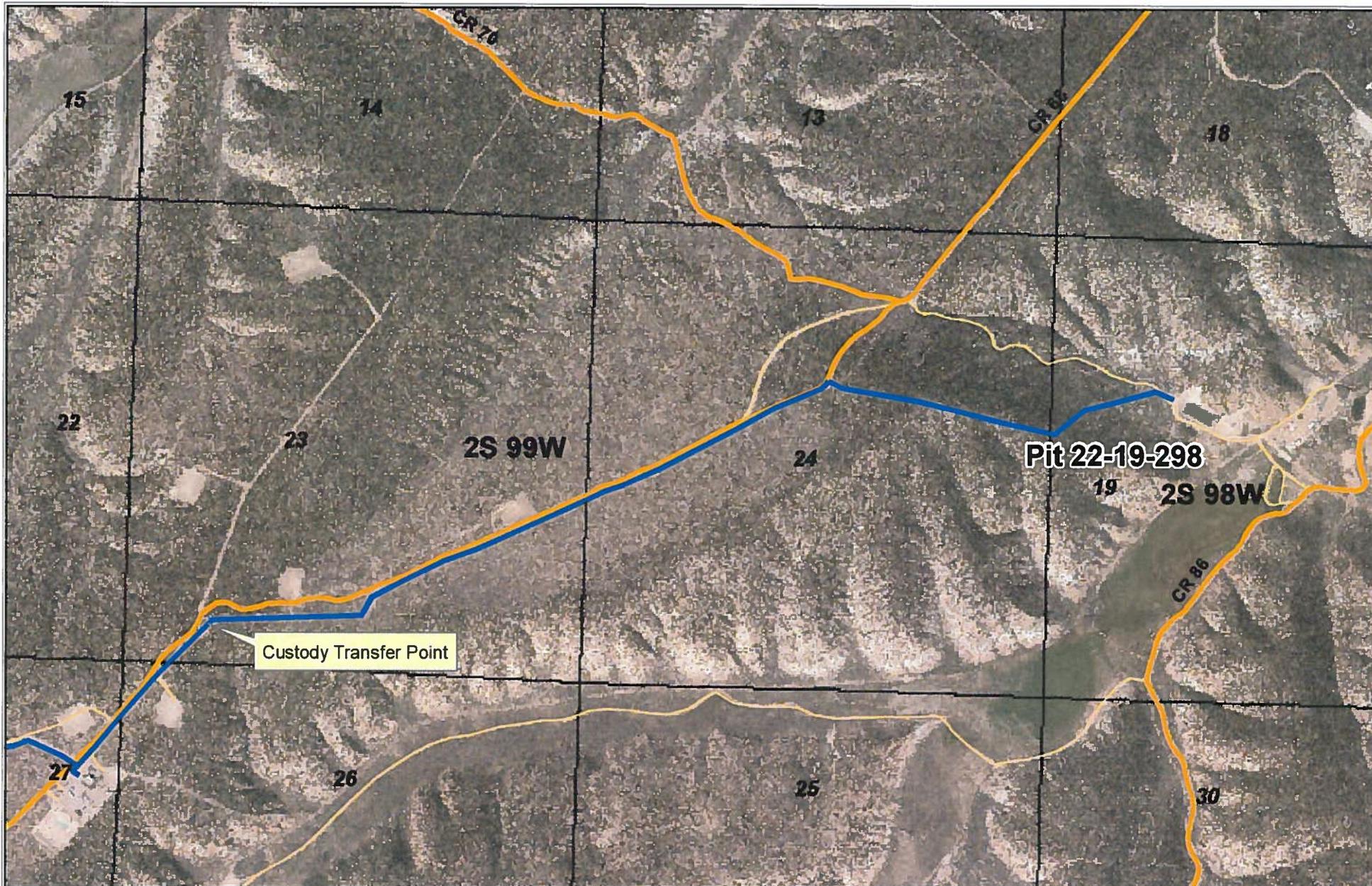


Exhibit A

Temporary Water Sharing Agreement

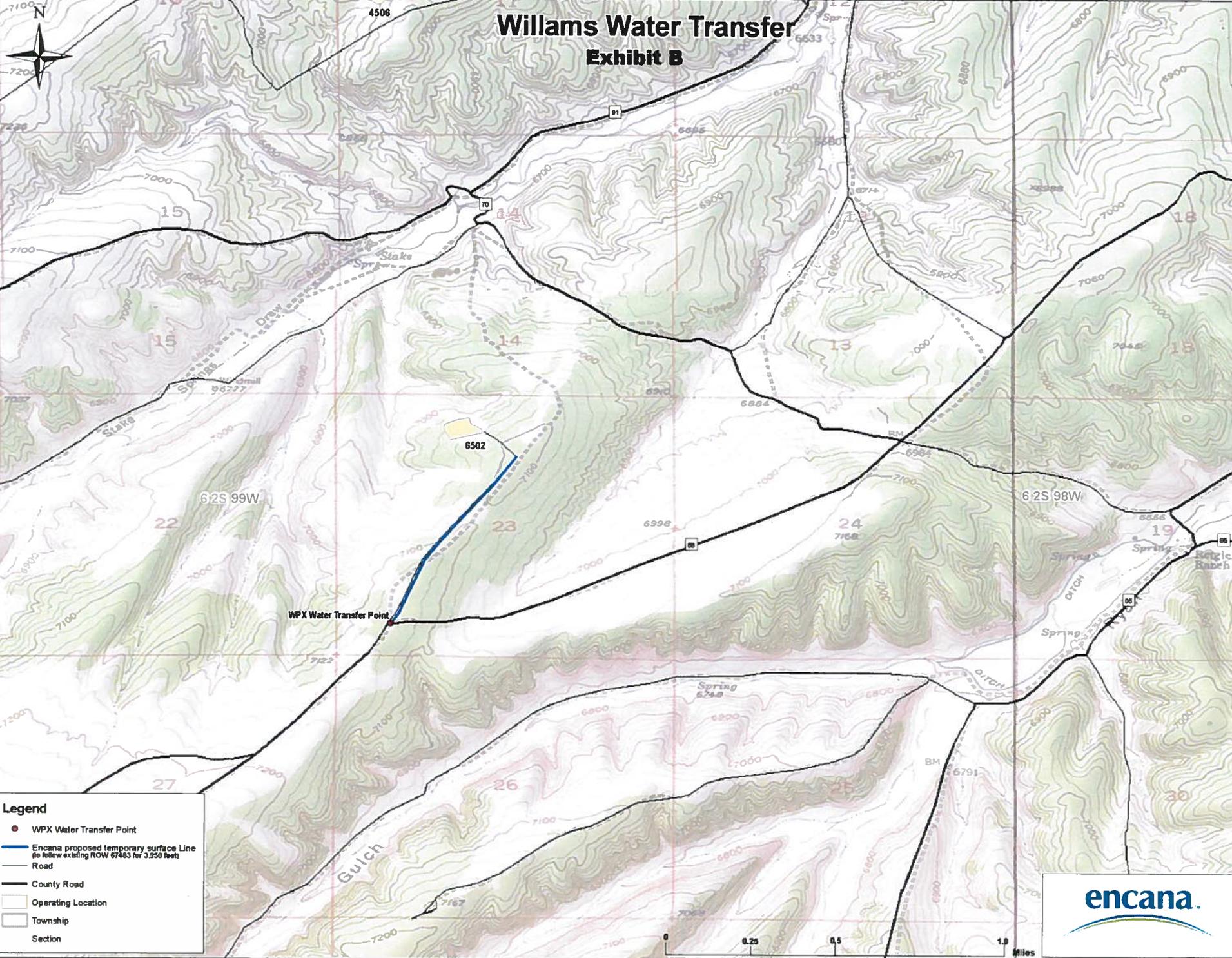
WPX Energy and Encana

Legend

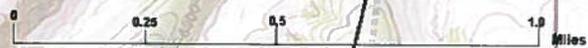
- Existing Water Line
- County Road
- Other Road



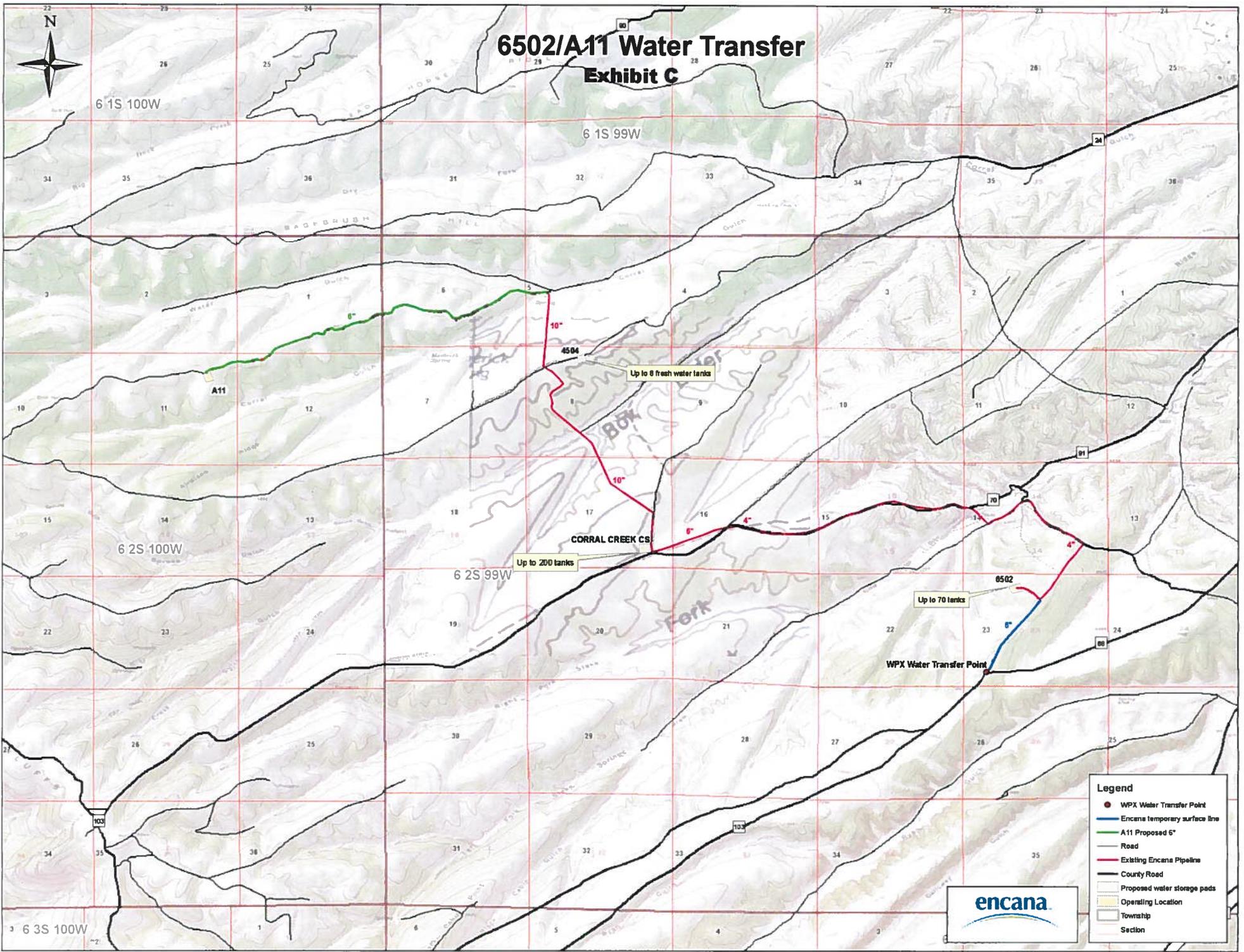
Willams Water Transfer Exhibit B



- Legend**
- WPX Water Transfer Point
 - Encana proposed temporary surface Line (to follow existing ROW 67483 for 3,950 feet)
 - Road
 - County Road
 - Operating Location
 - Township
 - Section



6502/A11 Water Transfer Exhibit C



Legend

- WPX Water Transfer Point
- Encana temporary surface line
- A11 Proposed 6"
- Road
- Existing Encana Pipeline
- County Road
- ▭ Proposed water storage pads
- ▭ Operating Location
- ▭ Township
- ▭ Section

