

FORM
2Rev
12/05State of Colorado
Oil and Gas Conservation Commission

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Document Number:

400445199

Date Received:

07/25/2013

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: Chris McRickard Phone: (720)876-5586 Fax: (720)876-6584

Email: chris.mcrickard@encana.com

7. Well Name: Jillson-East Rinn Well Number: 3C-22H-M268

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

9. Proposed Total Measured Depth: 15062

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 22 Twp: 2n Rng: 68w Meridian: 6

Latitude: 40.117910

Longitude: -104.996240

Footage at Surface: 374 feet FNL/FSL FSL 711 feet FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4950 13. County: WELD

14. GPS Data:

Date of Measurement: 06/06/2013 PDOP Reading: 1.9 Instrument Operator's Name: John 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
612 FSL 964 FWL 2657 FSL 850 FWL
Sec: 22 Twp: 2n Rng: 68w Sec: 15 Twp: 2n Rng: 68w16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 347 ft

18. Distance to nearest property line: 374 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 60 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		280	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):

S/2SW/4 Sec 22 T2n R68W and other lands; Horizontal Wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is at least 460'.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 80

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	7691	435	7691	500
2ND	6+1/8	4+1/2	13.5	0	15062	292	15062	7391

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

33. Comments - Encana requests the approval of 318A.a.(1) and 318A.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. - This well is closer than 150' to the nearest permitted or producing BHL. A 318A.m. exception location request letter attached.- Encana requests the approval of the omission of open hole logs; request letter attached.- Proposed spacing unit is W/2SW/4 & SW/4NW/4 Section 15, W/2W/2 Section 22.- The distance to nearest well permitted/completed in the same formation (BHL) is found on page 9 of the Anti-Collision report.

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: Chris McRickard

Title: Permitting Analyst Date: 7/25/2013 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: 9/12/2013

API NUMBER

05 123 37998 00

Permit Number: _____ Expiration Date: 9/11/2015

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.

COA Type	Description
	Operator must meet water well testing requirements per Rule 318A.
	Operator acknowledges the proximity of the JILLSON GAS UNIT #1 (API# 123-09758) well. Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.
	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.. 2) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. 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
1695839	EXCEPTION LOC REQUEST
400445199	FORM 2 SUBMITTED
400445671	WELL LOCATION PLAT
400453055	DIRECTIONAL DATA
400453057	VARIANCE REQUEST
400453059	30 DAY NOTICE LETTER
400453061	MINERAL LEASE MAP
400453062	OFFSET WELL EVALUATION
400453071	DEVIATED DRILLING PLAN
400453072	OTHER
400453075	EXCEPTION LOC WAIVERS
400453335	PROPOSED SPACING UNIT
400456255	SURFACE AGRMT/SURETY

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	9/12/2013 10:04:24 AM
Permit	Received and attached Exception Loc Request letter. ok to pass.	8/22/2013 12:08:28 PM
Permit	ON HOLD: requesting a corrected Exception Loc Request letter.	8/19/2013 3:57:01 PM
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.	8/19/2013 3:56:40 PM
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.	8/19/2013 3:56:39 PM
Permit	Operator's request for omission of open hole logs.	8/19/2013 3:56:39 PM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	8/19/2013 3:56:38 PM
Permit	Form passes completeness.	7/26/2013 1:46:18 PM

Total: 8 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	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.
2	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)