

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>
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Date Received:
07/16/2014

Well Name: CBU Well Number: DV16C-15O151100
 Name of Operator: ENCANA OIL & GAS (USA) INC COGCC Operator Number: 100185
 Address: 370 17TH ST STE 1700
 City: DENVER State: CO Zip: 80202-5632
 Contact Name: Alexis Bidgood Phone: (720)876-3074 Fax: ()
 Email: Alexis.Bidgood@encana.com

RECLAMATION FINANCIAL ASSURANCE
 Plugging and Abandonment Bond Surety ID: 20100017

WELL LOCATION INFORMATION
 QtrQtr: SESE Sec: 15 Twp: 1S Rng: 100W Meridian: 6
 Latitude: 39.957144 Longitude: -108.598512
 Footage at Surface: 253 feet FNL/FSL FSL 1277 feet FEL/FWL FEL
 Field Name: WILDCAT Field Number: 99999
 Ground Elevation: 8351 County: RIO BLANCO
 GPS Data:
 Date of Measurement: 04/18/2014 PDOP Reading: 1.6 Instrument Operator's Name: Greg Olsen
 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
 256 FSL 928 FEL 256 FSL 928 FEL
 Sec: 15 Twp: 1S Rng: 100W Sec: 15 Twp: 1S Rng: 100W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT
 Surface Ownership: Fee State Federal Indian
 The Surface Owner is: is the mineral owner beneath the location.
 (check all that apply) is committed to an Oil and Gas Lease.
 has signed the Oil and Gas Lease.
 is the applicant.
 The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian
 The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes
 The right to construct the Oil and Gas Location is granted by: oil and gas lease
 Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

T1S R100W 6TH PM
SEC 14 ALL
SEC 15 ALL

Total Acres in Described Lease: 1280 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC67056

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 256 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet
 Building Unit: 5280 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 293 Feet
 Above Ground Utility: 5280 Feet
 Railroad: 5280 Feet
 Property Line: 253 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
 - Enter 5280 for distance greater than 1 mile.
 - Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
 - Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
 - Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
 - Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1208 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 5280 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Cathedral Bluff Unit Number: COC076070X

SPACING & FORMATIONS COMMENTS

Nearest wellbore permitted is being measured to CBU DHN8B1 A11 2100.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MANCOS	MNCS			

DRILLING PROGRAM

Proposed Total Measured Depth: 12010 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1208 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments _____

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? _____ Yes _____

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

Signed: _____ Print Name: Alexis Bidgood _____

Title: Regulatory Analyst Date: 7/16/2014 Email: Alexis.Bidgood@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: 10/3/2014

Expiration Date: 10/02/2016

API NUMBER

05 103 12145 00

Conditions Of Approval

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

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. SEE ATTACHED NOTICE.

(2) PROVIDE CEMENT COVERAGE FROM THE PRODUCTION CASING (4+1/2" THIRD STRING) SHOE TO A MINIMUM OF 200 FEET ABOVE ALL MESAVERDE GROUP (AND OHIO CREEK, IF PRESENT) OIL, GAS, AND WATER-BEARING SANDSTONE AND COALBED FORMATIONS. VERIFY PRODUCTION CASING CEMENT COVERAGE WITH A CEMENT BOND LOG.

Best Management Practices

No	BMP/COA Type	Description
1	General Housekeeping	<ul style="list-style-type: none"> • Prohibit Encana employees and contractors from carrying projectile weapons on Encana property, except during company organized events. • Prohibit pets on Encana property.
2	Wildlife	<ul style="list-style-type: none"> • Install trench plugs (sloped to allow wildlife or livestock to exit the trench should they enter) at known wildlife or livestock trails to allow safe crossing on long spans of open trench, where appropriate, economically and technically feasible. • Perform biological surveys (on-site) for each new development, using the most recent data sets for wildlife and aquatic resources. • Perform pre-disturbance surveys when the on-site inspection and commencement of disturbance occur in different field seasons using the most recent data sets for wildlife and aquatic resources. • Utilize the Encana Wildlife Resources Matrix to identify and document (where appropriate) potential impacts or concerns during the project planning phase for proposed drilling operations and construction of roads, pads and pipelines. • Use enclosed, locking garbage receptacles or implement a strict daily trash removal regime on each temporary or permanent work location.
3	Dust control	<ul style="list-style-type: none"> • Strategically apply fugitive dust control measures, including enforcing established speed limits on Encana private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.
4	Construction	<ul style="list-style-type: none"> • Use solar panels as an alternative energy source for on-location production equipment, where appropriate, economically and technically feasible. • Use multiple gathering lines placed in a single trench to minimize disturbance and construction, where appropriate, economically and technically feasible. • Install pipeline crossings at right angles to the drainages, wetlands, and perennial water bodies, where appropriate, economically and technically feasible. • Maintain a minimum of five feet of soil cover between the pipeline and the lowest point of the drainage or water body channel.

Total: 4 comment(s)

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400614797	FORM 2 SUBMITTED
400645604	WELL LOCATION PLAT
400645607	DIRECTIONAL DATA
400645608	DEVIATED DRILLING PLAN
400645950	FED. DRILLING PERMIT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	9/30/2014 4:23:53 PM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE SHOWS A DEPTH OF 00 FEET DEEP. Evaluated existing offset wells within 1,500 feet of this wellbore. No mitigation required.	7/22/2014 3:53:29 PM
Permit	Passed completeness. Alexis Kubat is a designated agent. Maiden name is Bidgood. H2S will not be expected.	7/17/2014 2:43:09 PM
Permit	Return to draft. Submitter not a designated agent. H2S expected is blank. Ready to pass once these issues are resolved.	7/17/2014 1:09:28 PM

Total: 4 comment(s)