

Trail Ridge 3-19 Pit Closure (Form 4)
(Facility ID – 262156)
(Location ID – 323923)

REPORT OF WORK COMPLETED

Encana Oil & Gas (USA) Inc. (Encana) is submitting this Sundry Notice (Form 4) in conjunction with the final closure and backfilling of a production pit (Facility - 262156) on Encana's Trail Ridge 3-19 well pad (Location - 323923) in Encana's Piceance area of operation. In support of this effort, samples were collected in accordance with a Site Investigation and Remediation Workplan (Remediation - 8636). Encana, Chevron North American Exploration and Production Company (Chevron) and the COGCC have worked diligently through the remediation process and the joint group has collectively agreed that the proposed path forward is the current best option for remediation. Chevron and Encana will continue to consult on the reclamation and sampling efforts to ensure the surface owner's (Chevron) and COGCC expectations are met.

The Trail Ridge 3-19 well pad is not found within any of the COGCC 317B, Public Water System Protection areas. The location is not within a sensitive area based on distance to surface water. According to the soil survey for this area there is no frequency of flooding or ponding at this location.

In accordance with COGCC Rule 907 for the management of exploration and production (E&P) waste, Encana collects representative samples of potentially impacted material on each of its locations for the purpose of comparing constituent levels to the allowable limits identified by the COGCC. All samples collected on behalf of Encana's Parachute Field Office are collected and documented in accordance with the Environmental Department's Sampling Procedures. Area background samples are also collected to establish a baseline for naturally occurring concentrations/levels for applicable constituents of concern. Field sampling documentation and laboratory reports not provided with this form are kept on file at the Parachute Field Office and are available upon request.

Below-liner soil samples were collected on October 6, 2014. Laboratory analytical results indicated that Total Petroleum Hydrocarbons (TPH), Sodium Absorption Ratio (SAR), and arsenic values were above the allowable concentrations identified in COGCC Table 910-1. A vertical clearance sample in this area cannot be obtained due to refusal at the dense sandstone layer encountered beneath the pit liner. Per correspondence with Mr. Carlos Lujan of the COGCC, Encana has approval to cease excavation activities based on the limitations encountered at the site; however, as a condition of approval, nearby waters of the State must be identified and sampled in the spring of 2015. Encana will work with the surface owner to develop alignment on a separate and mutually agreed upon sampling program (which may involve execution of a separate access agreement) and methodology to sample water sources on nearby slopes, depressions, and natural drainages identified during the snow melt in the spring of 2015. As part of its baseline water quality monitoring program Encana is currently collecting samples on a semiannual basis from a stream and spring located approximately 1.1 miles southeast of the Trail Ridge 3-19. If nearer water sources cannot be identified in spring 2015, data from the two existing sample locations can be



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presented as confirmation samples. Sampling data from the spring 2015 sampling event will be presented in a subsequent Form 4 Sundry Notice/Notification of Completion.

During excavation activities of the pit area, soil removed was stockpiled on site. Composite soil samples were collected from the stockpiles on October 6, 2014. Laboratory analytical results indicated that Total Petroleum Hydrocarbons (TPH), Sodium Absorption Ratio (SAR), pH, and arsenic values were above the allowable concentrations identified in COGCC Table 910-1 in one of the composite soil samples collected from the stockpile to the south of the excavation. With Mr. Lujan and the COGCC in agreement, Encana will mix the two on-site stockpiles during backfill activities in order to remediate the TPH exceedance. In addition to mixing the soil, fertilizer will be applied during backfill activities in an effort to promote the bio-attenuation of existing impacts.

All arsenic exceedances observed during pit closure sampling activities are within background concentrations Encana has observed in the area. Consistent with reclamation objectives and approved handling of material with high levels of EC, SAR, and pH, the pit bottom and spoils will be covered by more than three feet (3') of clean native fill and topsoil during backfilling operations and final reclamation.

ATTACHMENTS:

Topographic Location Map

Trail Ridge 3-19 Site Diagram

Laboratory Results Summary Table

Laboratory Reports – Pit Investigation (Background Lab Reports available upon request)

