

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF ENCANA OIL & GAS (USA), INC. FOR AN ORDER ESTABLISHING WELL LOCATION RULES FOR SECTIONS 29 AND 32, TOWNSHIP 7 SOUTH, RANGE 92 WEST, AND SECTIONS 5 AND 8, TOWNSHIP 8 SOUTH, RANGE 92 WEST, 6TH P.M., FOR THE WILLIAMS FORK AND ILES FORMATIONS OF THE MESAVERDE GROUP, GARFIELD COUNTY, COLORADO

CAUSE NO. ____

DOCKET NO. ____

APPLICATION

COMES NOW Encana Oil & Gas (USA), Inc. ("Applicant"), by the undersigned attorneys, and makes this application ("Application") to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing spacing rules applicable to the drilling and producing of wells from two federal exploratory units for the Williams Fork and Iles Formations of the Mesaverde Group covering certain described lands in Garfield County, Colorado and in support of its application states and alleges as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.

2. That Applicant is the operator of two certain federal exploratory units known as the Hunter Mesa Unit and the Middleton Creek Unit. The Hunter Mesa Unit was approved on November 30, 1993 by the Bureau of Land Management. The Middleton Creek Unit was approved on August 24, 2005 by the Bureau of Land Management. The portions of the Hunter Mesa and Middleton Creek Units subject to this Application consist of the following described lands:

Township 7 South, Range 92 West, 6th P.M.

Section 29: E $\frac{1}{2}$

Section 32: E $\frac{1}{2}$

Township 8 South, Range 92 West, 6th P.M.

Section 5: W $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 8: W $\frac{1}{2}$ W $\frac{1}{2}$

Garfield County, Colorado
(hereinafter the "Application Lands").

3. Under the Commission's Rule 318(d)(3), the well location rules otherwise applicable under Rule 318 do not apply to unit operations approved by federal authorities except that no well in excess of two thousand five hundred (2,500) feet in depth shall be located less than six hundred (600) feet from the exterior or interior (if there be one) boundary of the unit area unless otherwise authorized by the order of the Commission after proper notice to owners outside the unit area.

4. Applicant has drilled, tested and completed wells in the Williams Fork and Iles Formations of the Mesaverde Group within the Hunter Mesa Application Lands and the Middleton Creek Application Lands and other nearby lands.

5. That to promote efficient drainage within the Williams Fork and Iles Formations of the Mesaverde Group of the Application Lands, the Commission should establish new setback rules applicable to the drilling of Williams Fork and Iles Formation wells within the Hunter Mesa and Middleton Creek Units for the Application Lands such that Williams Fork and/or Iles Formation wells should be located downhole anywhere upon the Application Lands but no closer than 100 feet from the boundaries of the exterior or interior (if applicable) unit boundary unless such boundary abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10 acre density Williams Fork and/or Iles Formation wells in which event the wells should be located downhole no closer than 200 feet from the exterior or interior (as applicable) unit boundary unless exception is granted by the Director.

6. That the above-proposed well location rules will allow more efficient drainage of the Williams Fork and Iles Formations of the Mesaverde Group; will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

7. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in June, 2013, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated: April 18, 2013.

Respectfully submitted:
Encana Oil & Gas (USA) Inc.

By:



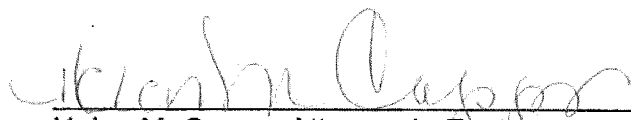
Jamie L. Jost
Gregory J. Nibert Jr.
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:
Encana Oil & Gas (USA) Inc.
ATTN: Jessica Sellyei
370 17th Street, Suite 1700
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

Helen M. Capps, of lawful age, being first duly sworn upon oath, deposes and says that she is Attorney-in-Fact for Encana Oil & Gas (USA), Inc. and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

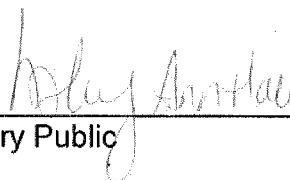
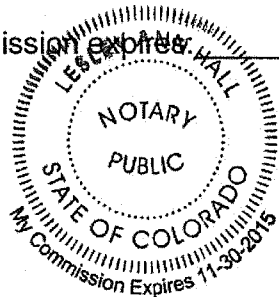


Helen M. Capps, Attorney-in-Fact
Encana Oil & Gas (USA), Inc.

Subscribed and sworn to before me this 17th day of April, 2013.

Witness my hand and official seal.

My commission expires _____



Notary Public

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IN THE MATTER OF THE APPLICATION OF ENCAN
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ESTABLISHING WELL LOCATION RULES FOR
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WILLIAMS FORK AND ILES FORMATIONS OF THE
MESAVERT DE GROUP, GARFIELD COUNTY,
COLORADO

CAUSE NO. _____

DOCKET NO. _____


AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

Jamie L. Jost, of lawful age, and being first duly sworn upon his oath, states and declares:

That she is the attorney for Encana Oil & Gas (USA), Inc., that on or before April 26 2013, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Exhibit A to the Application.

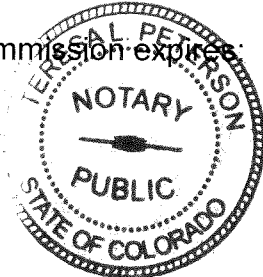


Jamie L. Jost

Subscribed and sworn to before me April 26, 2013.

Witness my hand and official seal.

My commission expires: 10-04-13





Notary Public

Exhibit A
Interested Parties

Shideler Energy Company, L.L.C.
7223 S. Zephyr Way
Littleton, CO 80128

Barry Craig & Marilyn J. Shideler
1411 County Road 316
Silt, CO 81652

2 Quiat LLC Gerald M. Quiat, Manager
c/o The Quiat Company
1873 S. Bellaire Street, Suite 900
Denver, CO 80222

Magic M & R LLC
1720 S. Bellaire Street, Suite 1209
Denver, CO 80222

Mark A. & Cathlyn J. Huttner
21427 E. Ottawa Circle
Aurora, CO 80016

Bay Minerals, LLC
1129 Pennsylvania Street
Denver, CO 80203

Mimonte LLC
PO Box 3358
Englewood, CO 80155

Mamm Creek Ranch Company
8544 315 Road
Silt, CO 81652

Carol Jo Shideler Bennett
PO Box 1202
American Fork, UT 84003

Altman Family Limited Partnership
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Rancho Mirage, CA 92270

Marshall Quiat Trust
c/o Nicolette Rounds Trustee
3773 Cherry Creek Dr. 575
Denver, CO 80209

Left Hand Resources
PO Box 3498
Boulder, CO 80307

BJJ Partners
1129 Pennsylvania Street
Denver, CO 80203

Devra Altman
2020 E. 4th Ave.
Denver, CO 80206

United States Department of Interior
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215