

January 20, 2015

Encana has received numerous questions from the community since moving off the Pratt location in late December 2014. This update comes in response to these questions. If you have additional questions, please email us at: CommunityRelationsUSA@encana.com.

Q. What caused the noise levels of Rig 272 to be outside of state regulated db [c-scale only] noise levels at certain periods of time?

A. Despite conducting sound modeling in advance, the specific mitigation measures we implemented at the Pratt were clearly less effective than anticipated against a particular c-scale frequency. It is our belief that one or more components of the particular rig assigned to this location generated the frequency, but we're still investigating.

Q. Why did sound mitigation efforts (new tarp) other adjustments not help after residents complained?

A. What we learned is that the particular frequency we encountered is very difficult to mitigate, and there is a significant variance in sound levels and frequencies across rigs.

We implemented multiple tactics in an effort to produce a meaningful and measurable reduction including:

- Closing the SE, SW, and NW corner breezeways (openings) first with blankets, then with higher-mass sound wall materials
- Completely removing and replacing exterior sounds walls on the south side with higher-mass materials. Partially did the same on the east and west walls.
- Covering the rig generator on the east and west sides with sound blankets
- Covering the east and west sides of the shaker deck

- Removing the north-side exterior sound wall in an attempt to decrease any reflection to the south
- Installing rubber mats around the rig
- Installing sound blankets on the east, south and west walls

Because these efforts were unsuccessful, we made the decision to rig down and move off location.

Q. Who were the experts we consulted and what methods were deployed?

A. We consulted with noise control acoustical engineers, field sound technicians, and field operations managers from two separate firms.

Q. From engineers of Anadarko who spoke this week during the BOT meeting, this should not have happened and should be easily fixed. In 2008 when I moved in here your competitor Synergy 200 feet behind your well pad used 2 sea containers on top of each other just in front of the drill pad in total length and the noise levels were not as loud so I could have a nights rest.

A. The particular frequency we encountered is very difficult to mitigate and there is a significant variance in sound levels and frequencies across rigs.

Previous wells drilled in the area were vertical or directional wells drilled with smaller rigs that have less horsepower and shorter drilling cycles.

Q. Trustee Gruber of Erie mentioned, that Encana ran into operational issues due to geological unknown issues while drilling, what issues does he refer to? I noticed after week 1 the white seismic trucks where back surveying the entire property around your well, I thought that the area was already completely surveyed months before when they came by my house. What happened?

A. The geology was as anticipated, the well took longer than expected primarily due to its length and the associated operational complexity.

Any survey trucks that may have been observed in the area were not associated with Encana.

Q. The residents got information that the first well made contact with another well or potential mine shaft from the columbine mine? Is this true, we noticed synergy did suddenly inspection on their wells (which they had not done for three years before

according to COGCC inspection reports). This was December 11th a day before Encana decided to pull out of the pads and send the notice. The inspector I contacted referred me to contact you on an update of the so called "COMMUNICATION"?

- A. There was absolutely no contact with any wells in the area. It is not uncommon to encounter gas either in formation or through an existing fracture network. Some have speculated that we "collided with" or "intersected another well," we did not.

We can't speak to the actions of another operator.

- Q. What is flaring and why do you do it?

- A. Flaring is the controlled burning of natural gas. Flaring occurs when natural gas is present that cannot be captured and placed into a sales pipeline. It can occur during the drilling phase. Every operators preference is to capture as much natural gas as possible from the wells however, in situations where capturing the gas is not possible, it is better from an air quality perspective to burn the gas through a flare system rather than vent it directly into the atmosphere. (See [COGCC Rule 317I](#))

- Q. Who can I contact if I have concerns or issues with Encana's operations?

- A. Contact Encana's local community relations team via phone at 866.896.6371 or by email at CommunityRelationsUSA@encana.com.

- Q. Why did it take 27 days to complete 1 well why you announced each well only would take 10-15 days?

- A. There is a learning curve on any new location, plus there is additional complexity given the length of the laterals on this particular pad. While the first well on any new location may take longer than anticipated, we typically see our drilling efficiency improve over time to between 10–19 days per well depending on the length of the lateral.

- Q. When will you finish up the drill/fracking process?

- A. That hasn't been determined yet. We will communicate an operational update well in advance of returning to location and provide the new mitigation plan.

- Q. What measures are you taking to prevent the issues so we as residents have minimal impact?

- A. Once we've completed our analysis and look-back of the Pratt noise issues, we will develop a new mitigation plan. We will share the specifics of that plan prior to returning to the Pratt.
- Q. When will you finish up the piping which is now laying open in the field above ground with a huge trench barely fenced off with no warning signs? Some residents feel this is a safety concern even if it is private property.
- A. We are currently working on Erie Parkway and anticipate backfilling this location by the end of the week. This ditch currently has warning fencing between the ditch and Erie Parkway. We do have an open ditch along WCR 5 and will have warning fencing installed by the end of this week while we await additional instructions from the CDPHE.
- Q. How does Encana define closed-loop drilling? During the presentation regarding the Pratt site, I understood Encana to say that there would be no components of the drilling process released to the atmosphere. I also understood Encana to say that there would be no flaming or combustors on site.
- A. A closed-loop systems use above-ground portable tanks instead of earthen pits. A typical closed-loop system includes a series of linear-motion shakers, mud cleaners and centrifuges followed by a dewatering system. Waste water is pumped directly into steel storage containers and held for processing. The equipment typically results in a "dry" location thus eliminating the use of earthen pits.

It is not uncommon to encounter gas either in formation or through an existing fracture network. When this occurs the best and safest way to manage it is through flaring. Flaring into a flare stack does produce a visible flame. (See [COGCC Rule 317I](#))

The Pratt location is currently designed as a Hub pad which means there will be minimal equipment on location. Under the current plan, there would be no combustors on location.

#