

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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| DE | ET | OE | ES |
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Document Number:

2096448

Plugging Bond Surety

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

 OIL ☒ GAS ☐ COALBED ☐ OTHER _____
 SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☒
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: JEVIN CROTEAU Phone: (720)876-5339 Fax: (720)876-6339

Email: JEVIN.CROTEAU@ENCANA.COM

7. Well Name: IONE Well Number: 2-8-4

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

9. Proposed Total Measured Depth: 8088

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 4 Twp: 2N Rng: 66W Meridian: 6

Latitude: 40.161450 Longitude: -104.783770

 Footage at Surface: 590 FNL/FSL 2205 FEL/FWL
 FSL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4927 13. County: WELD

14. GPS Data:

Date of Measurement: 02/04/2010 PDOP Reading: 2.6 Instrument Operator's Name: CRAIG BURKE

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
 50 FSL 1320 FWL 50 FSL 1320 FWL
 Sec: 4 Twp: 2N Rng: 66W Sec: 4 Twp: 2N Rng: 66W
16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 258 ft

18. Distance to nearest property line: 590 ft 19. Distance to nearest well permitted/completed in the same formation: 900 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | 407 | 160 | S2SW S4 |
| J SAND | JSND | 232-23 | 160 | S2SW S4 |
| NIOBRARA | NBRR | 407 | 160 | S2SW S4 |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. 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 ☐ No

23b. If 23 is No ☒ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bon ☐ \$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):
ALL OF SEC. 2, S2 OF SEC. 4, NE OF SEC. 8 & E2 OF SEC. 10, T2N, R66W

25. Distance to Nearest Mineral Lease Line: _____ 50 ft 26. Total Acres in Lease: _____ 1680

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 8+5/8 | 24 | 800 | 350 | 800 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 8,088 | 270 | 8,088 | 7,063 |

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

33. Comments NO CONDUCTOR CASING WILL BE USED.

34. Location ID: _____ 331119

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: JEVIN CROTEAU

Title: REGULATORY Date: 2/22/2010 Email: JEVIN.CROTEAU@ENCANA.C

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: _____ Director of COGCC Date: _____

API NUMBER 05 Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|--------------------|
| 2096448 | APD ORIGINAL | LF@2423786 2096448 |
| 2096463 | WELL LOCATION PLAT | LF@2423787 2096463 |
| 2096464 | TOPO MAP | LF@2423788 2096464 |
| 2096465 | MINERAL LEASE MAP | LF@2423826 2096465 |
| 2096466 | SURFACE AGRMT/SURETY | LF@2423789 2096466 |
| 2096467 | 30 DAY NOTICE LETTER | LF@2423790 2096467 |
| 2096468 | DEVIATED DRILLING PLAN | LF@2423791 2096468 |
| 2096469 | PROPOSED SPACING UNIT | LF@2423792 2096469 |

Total Attach: 8 Files