

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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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 ☐

Document Number:

1758407

Plugging Bond Surety

20050043

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: NICK G. CURRAN Phone: (720)876-5288 Fax: (720)876-6288
Email: NICK.CURRAN@ENCANA.COM

7. Well Name: RAY NELSON Well Number: 8-8-32

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

9. Proposed Total Measured Depth: 8537

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 32 Twp: 2N Rng: 68W Meridian: 6
Latitude: 40.089890 Longitude: -105.023660

Footage at Surface: 794 FNL/FSL FSL 1668 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4979 13. County: WELD

14. GPS Data:

Date of Measurement: 07/29/2008 PDOP Reading: 0.2 Instrument Operator's Name: TOM WINANS

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 50 FSL 50 FEL 50 FEL 50
Bottom Hole: FNL/FSL 50 FSL 50 FEL 50
Sec: 32 Twp: 2N Rng: 68W Sec: 32 Twp: 2N Rng: 68W

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: 827 ft

18. Distance to nearest property line: 15 ft 19. Distance to nearest well permitted/completed in the same formation: 986 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	407-87	160	GWA
J SAND	JSND		160	GWA
NIOBRARA	NBRR	407-87	160	GWA

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):
T1N-R68W SEC 5: NE/4 & T2N-R68W SEC 32: S2SE/4

25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 240

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	8,537	290	8,537	7,437
			Stage Tool	5,413	250	5,413	4,393

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

33. Comments NO CONDUCTOR CASING WILL BE USED. EXCEPTION LOCATION RULE 318Aa, 603a2. TWINNING PROPOSED BROWN 41-5

34. Location ID: _____

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: NICK G. CURRAN

Title: PERMITTING AGENT Date: 8/14/2009 Email: NICK.CURRAN@ENCANA.CO

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: David S. Neslin Director of COGCC Date: 11/3/2009

API NUMBER

05 123 30728 00

Permit Number: _____ Expiration Date: 11/2/2011

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.

OPERATOR MUST MEET WATER WELL TESTING REQUIREMENTS AS PER AMENDED RULE 318A.

1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name	Doc Description
1758408	WELL LOCATION PLAT	LF@2124551 1758408
1758409	TOPO MAP	LF@2124553 1758409
1758410	MINERAL LEASE MAP	LF@2124575 1758410
1758411	30 DAY NOTICE LETTER	LF@2124555 1758411
1758412	DEVIATED DRILLING PLAN	LF@2124557 1758412
1758413	EXCEPTION LOC REQUEST	LF@2124559 1758413
1758414	EXCEPTION LOC WAIVERS	LF@2124561 1758414
1758415	PROPOSED SPACING UNIT	LF@2124563 1758415
1769130	SURFACE CASING CHECK	LF@2144835 1769130
1828538	CORRESPONDENCE	LF@2138722 1828538
400015309	APD ORIGINAL	LF@2124549 400015309

Total Attach: 11 Files