

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



| | | | |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

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:

400026063

Plugging Bond Surety

20020067

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: Judith Walter Phone: (720)876-3702 Fax: (720)876-4702
Email: judith.walter@encana.com

7. Well Name: Story Gulch Unit Well Number: 8506C-25 F25496

8. Unit Name (if appl): Story Gulch Unt Unit Number: COC69333X

9. Proposed Total Measured Depth: 13663

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 25 Twp: 4S Rng: 96W Meridian: 6
Latitude: 39.674300 Longitude: -108.119667

Footage at Surface: 2282 FNL/FSL FNL 1934 FEL/FWL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 8298 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 08/07/2009 PDOP Reading: 1.6 Instrument Operator's Name: Robert Kay

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

Footage at Top of Prod Zone: FNL/FSL 2073 FNL 1929 FWL 2073 FNL 1929 FWL
Sec: 25 Twp: 4S Rng: 96W Sec: 25 Twp: 4S Rng: 96W

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: 381 ft

18. Distance to nearest property line: 1934 ft 19. Distance to nearest well permitted/completed in the same formation: 330 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | | | |
| William Fork | WMFK | 510-13 | 10 | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC61136

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

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20090011

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 Bond ☐ \$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):
T4S, R96W, Section: 25 ALL

25. Distance to Nearest Mineral Lease Line: 1929 26. Total Acres in Lease: 640

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: Recycle, Amend and Bury

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 |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| CONDUCTOR | 26 | 20 | Linepipe | 120 | 176 | 120 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36 | 3,000 | 2,069 | 3,000 | 0 |
| 2ND | 8+3/4 | 4+1/2 | 11.6 | 13,663 | 857 | 13,663 | 8,003 |

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

33. Comments Surface hole: 12-1/4" or 13-1/2" or 14-3/4", Production hole: 7-7/8" or 8-3/4", Production Cmt Top calc 500' above TOG. On-site was 8/12/2009 with BLM and CDOW.

34. Location ID: 0

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: Judith Walter

Title: Regulatory Analyst Date: 1/4/2010 Email: judith.walter@encana.com

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: 2/20/2010

API NUMBER

05 045 19157 00

Permit Number: _____ Expiration Date: 2/19/2012

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.

1)24 HOUR SPUD NOTICE REQUIRED. E-MAIL: Shaun.Kellerby@state.co.us 2)GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE 3)CEMENT TOP VERIFICATION BY CBL REQUIRED. 4)THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 400026070 | PLAT | LF@2212403 400026070 |
| 400026071 | TOPO MAP | LF@2212404 400026071 |
| 400026073 | MINERAL LEASE MAP | LF@2212405 400026073 |
| 400026074 | DEVIATED DRILLING PLAN | LF@2212406 400026074 |
| 400026075 | FED. DRILLING PERMIT | LF@2212407 400026075 |
| 400026087 | FORM 2 SUBMITTED | LF@2212408 400026087 |

Total Attach: 6 Files