

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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Document Number:

2589574

Plugging Bond Surety

20100017

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

7. Well Name: DEASON Well Number: 41-35

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

9. Proposed Total Measured Depth: 8272

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 35 Twp: 2N Rng: 69W Meridian: 6

Latitude: 40.101220 Longitude: -105.079610

Footage at Surface: 747 FNL/FSL FNL 1473 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5058 13. County: BOULDER

14. GPS Data:

Date of Measurement: 04/04/2010 PDOP Reading: 2.5 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 510 FNL 600 FEL 600 FEL 600 FEL 600
Bottom Hole: FNL/FSL 510 FNL 600 FEL 600 FEL 600
Sec: 35 Twp: 2N Rng: 69W Sec: 35 Twp: 2N Rng: 69W

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: 539 ft

18. Distance to nearest property line: 81 ft 19. Distance to nearest well permitted/completed in the same formation: 803 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	NE4 SEC 35 2N-69W
J SAND	JSND		160	NE4 SEC 35 2N-69W
NIOBRARA	NBRR	407-87	160	NE4 SEC 35 2N-69W

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 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):
 SEC 36 NW4 SEC 35: N2NE4 (ALL THAT PART OF THE NORTHEAST QUARTER LYING NORTH AND EAST OF THE BOULDER AND WHITE ROCK RESERVOIR).

25. Distance to Nearest Mineral Lease Line: 510 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	700	300	700	0
1ST	7+7/8	4+1/2	11.6	8,272	290	8,272	7,183

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

33. Comments NO CONDUCTOR CASING WILL BE USED. Encana Oil and Gas (USA) Inc. requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Encana Oil and Gas (USA) Inc. requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line.

34. Location ID: 336249

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 Date: 5/26/2010 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: 7/11/2010

API NUMBER

05 013 06639 00

Permit Number: _____ Expiration Date: 7/10/2012

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) 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 Shannon. 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
2589574	APD ORIGINAL	LF@2488547 2589574
2589575	WELL LOCATION PLAT	LF@2488548 2589575
2589576	TOPO MAP	LF@2488584 2589576
2589577	MINERAL LEASE MAP	LF@2488585 2589577
2589578	SURFACE AGRMT/SURETY	LF@2488549 2589578
2589579	30 DAY NOTICE LETTER	LF@2488550 2589579
2589580	DEVIATED DRILLING PLAN	LF@2488551 2589580
2589581	EXCEPTION LOC REQUEST	LF@2488552 2589581
2589585	EXCEPTION LOC WAIVERS	LF@2488553 2589585
2589587	EXCEPTION LOC WAIVERS	LF@2488554 2589587

Total Attach: 10 Files