

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:

400078260

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: DeAnne Spector Phone: (720)876-5826 Fax: (720)876-6826
Email: deanne.spector@encana.com

7. Well Name: Daybreak Federal Well Number: 19-8C (PJ19)

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

9. Proposed Total Measured Depth: 7209

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 19 Twp: 7S Rng: 95W Meridian: 6

Latitude: 39.421310 Longitude: -108.038470

Footage at Surface: 2041 FNL/FSL FSL 2356 FEL/FWL FEL

11. Field Name: Parachute Field Number: 67350

12. Ground Elevation: 5425 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 01/26/2010 PDOP Reading: 0.0 Instrument Operator's Name: Ted Taggart

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

Footage at Top of Prod Zone: FNL/FSL FNL/FSL Bottom Hole: FNL/FSL FNL/FSL
1322 FNL 642 FEL 1322 FNL 642 FEL
Sec: 19 Twp: 7S Rng: 95W Sec: 19 Twp: 7S Rng: 95W

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: 253 ft

18. Distance to nearest property line: 599 ft 19. Distance to nearest well permitted/completed in the same formation: 380 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.)
Williams Fork	WMFK	139-95		

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: COC019572

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):
Sec. 19: NENE and that part of the SENE lying N of CR/Stone Quarry Rd.

25. Distance to Nearest Mineral Lease Line: 642 ft 26. Total Acres in Lease: 42

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
CONDUCTOR	24+0/0	16+0/0	.25" wall	40	5	40	0
SURF	12+1/4	9+5/8	36	1,080	289	1,080	0
1ST	7+7/8	4+1/2	11.6	7,209	656	7,209	0

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

33. Comments Reference area photos will be taken during the growing season. The surface casing will be 200' or more >MSVD and 500' into the intermediate casing.

34. Location ID: 417538

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: DeAnne Spector

Title: Regulatory Analyst Date: 7/22/2010 Email: deanne.spector@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: 8/31/2010

API NUMBER

05 045 19899 00

Permit Number: _____ Expiration Date: 8/30/2012

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(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 MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(5) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(6) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 176 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
400078260	FORM 2 SUBMITTED	LF@2512268 400078260
400078568	OTHER	LF@2512269 400078568
400078569	PLAT	LF@2512270 400078569
400078572	FED. DRILLING PERMIT	LF@2512271 400078572
400078574	TOPO MAP	LF@2512272 400078574
400078578	DEVIATED DRILLING PLAN	LF@2512273 400078578
400078579	SURFACE AGRMT/SURETY	LF@2512274 400078579
400078580	30 DAY NOTICE LETTER	LF@2512275 400078580
400078581	OTHER	LF@2512276 400078581
400078757	LOCATION PICTURES	LF@2512277 400078757

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Below is an email chain with our Landman for this area. The BHLs are located in an area that is 100% Fee minerals. The COGCC MapIt site shows the same thing (see below), so to answer your original question four of the applications (19-8, 19-8C, 19-8D, and 19-8BB) should be Fee/Fee with no Lease #. Please make the changes to these applications. I also concur with the Plugging Bond Surety # 20100017.	8/31/2010 10:25:11 AM
Permit	PERMITTING PASSED 8/30/10 WO COA'S; Minerals are 50 - 50% Fee and Fed.	8/30/2010 10:38:40 AM

Total: 2 comment(s)

Error: Subreport could not be shown.