

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:
400083096
Plugging Bond Surety
20100017

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: Julia Carter Phone: (720)876.5240 Fax: (720)876.6240
Email: Julia.Carter@encana.com

7. Well Name: N. Parachute Well Number: DH05-20 G29 595

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

9. Proposed Total Measured Depth: 20905

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 29 Twp: 5S Rng: 95W Meridian: 6

Latitude: 39.586086 Longitude: -108.073183

Footage at Surface: 2178 FNL/FSL FNL 1279 FEL/FWL FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 6098 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 02/23/2010 PDOP Reading: 1.9 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 FNL 1348 FNL 1818 FEL FEL 1182 FNL 74 FEL
Sec: 29 Twp: 5S Rng: 95W Sec: 19 Twp: 5S 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: 8543 ft

18. Distance to nearest property line: 8448 ft 19. Distance to nearest well permitted/completed in the same formation: 10744 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.)
Mancos	MNCS			

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):
Please see attached maps

25. Distance to Nearest Mineral Lease Line: 1184 ft 26. Total Acres in Lease: 25889

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 & 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	30	24	Line Pipe	120	207	120	0
SURF	20	16	65	800	612	800	0
1ST	13+1/2	10+3/4	40.5	5,999	1,599	5,999	0
2ND	9+7/8	7+5/8	29.7	12,799	801	12,799	5,339
3RD	6+1/2	5	18	20,905	493	20,905	12,599

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

33. Comments This is a horizontal well, but it is our intention to first drill a vertical wellbore to 16378' TVD (Permit TD, TVD, on the directional plan) to evaluate the reservoirs to that depth. From there we will cement back up hole to our kickoff point. Once cemented we will kickoff and build to horizontal. We will continue to drill to the horizontal target at 20905' (Permit TD on the legal plat). This lateral will be cased back to surface. Please note that the First Intermediate string is listed as 'first string', the Second Intermediate string is listed as 'second string' and the Production casing is listed as 'third string'. The distance on #17 is from the nearest above ground utility.

34. Location ID: 335573

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: Julia M. Carter

Title: Regulatory Analyst Date: 8/6/2010 Email: Julia.Carter@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: 10/14/2010

API NUMBER

05 045 20025 01

Permit Number: _____

Expiration Date: 10/13/2012**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) RESERVE PIT MUST BE LINED.
- (4) CEMENT-TOP VERIFICATION BY CBL REQUIRED.
- (5) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.
- (6) 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.
- (7) 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.
- (8) 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 000 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
400083096	FORM 2 SUBMITTED	LF@2520128 400083096
400083103	PLAT	LF@2520129 400083103
400083104	DEVIATED DRILLING PLAN	LF@2520130 400083104
400083105	TOPO MAP	LF@2520131 400083105
400083107	LEASE MAP	LF@2520132 400083107
400083108	OTHER	LF@2520133 400083108

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	ON HOLD Appears to be a situation that requests a "pilot" form 2 in conjunction with the horizontal form 2. BY	10/8/2010 10:17:24 AM
Permit	Hi Bill, After checking the numbers I agree that the 4139' is not the nearest distance to the lease line. I calculated it to be 1184'. Thanks, Julia Carter Regulatory Analyst	9/16/2010 5:19:16 AM
Permit	WO INF FROM OPEATOR, APPEARS THAT NEAREST LEASE LINE IS 1205' NOT THE 4139'. AND WO COA'S	9/14/2010 9:16:43 AM

Total: 3 comment(s)

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