

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:
2584385
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: JEVIN CROTEAU Phone: (720)876-5339 Fax: (720)876-6339
Email: JEVIN.CROTEAU@ENCANA.COM

7. Well Name: RAY NELSON Well Number: 4-8-32

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

9. Proposed Total Measured Depth: 8599

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 32 Twp: 2N Rng: 68W Meridian: 6
Latitude: 40.091970 Longitude: -105.021950

Footage at Surface: 1558 FNL/FSL FSL 1187 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4964 13. County: WELD

14. GPS Data:

Date of Measurement: 06/15/2010 PDOP Reading: 1.4 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 _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
50 FSL 2612 FWL 50 FSL 2612 FWL
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: 917 ft

18. Distance to nearest property line: 180 ft 19. Distance to nearest well permitted/completed in the same formation: 710 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	160	GWA
J SAND	JSND	232-23	160	GWA
NIBRARA	NBRR	407	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#: 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 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):
SW,S2NW LYING S&E OF RR ROW & PART OF N2NE OF SEC 32,T2N,R68W.

25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 245388

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	8,599	290	8,599	7,510

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

33. Comments NO CONDUCTOR CASING WILL BE USED. Proposed GWA Unit Configuration for NB-CD & JSND: Sec 32 2N 68W: SESW, SWSE & Sec 5 1N 68W: NENW, NWNE ; Encana Oil & Gas (USA) Inc. requests approval of a Rule 318Ac exception location: Wellhead is to be located more than 50' from an existing well location.

34. Location ID: 319034

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: JEVIN CROTEAU

Title: REGULATORY ANALYST Date: 9/30/2010 Email: JEVIN.CROTEAU@ENCANA.C

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. Nashin Director of COGCC Date: 10/27/2010

API NUMBER
05 123 32435 00

Permit Number: _____ Expiration Date: 10/26/2012

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 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
2584385	APD ORIGINAL	LF@2597536 2584385
2584386	WELL LOCATION PLAT	LF@2597537 2584386
2584387	TOPO MAP	LF@2597538 2584387
2584388	MINERAL LEASE MAP	LF@2597539 2584388
2584389	30 DAY NOTICE LETTER	LF@2597540 2584389
2584390	DEVIATED DRILLING PLAN	LF@2597541 2584390
2584391	EXCEPTION LOC REQUEST	LF@2597542 2584391
2622008	PROPOSED SPACING UNIT	LF@2602599 2622008

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per Jevin Croteau, Encana is seeking approval of an exception location to Rule 318Ac, the location of wellheads will be greater than 50' from the existing well "Nelson E Unit #2". The location of the existing well is a property line exception and so would be any well twinning the existing well. The location was further chosen to gain an appropriate distance from surface waters. Encana has thus far been unable to obtain surface owner consent to the twinning exception. Encana is seeking administrative approval of the exception location as provided by Rule 318A.c.(2) citing topographical/surface constraints which make the un-twinning location more appropriate for safety and protection of the environment. PVG	10/15/2010 8:25:58 AM
Permit	A twinning waiver was not attached and no SUA has been submitted.	10/8/2010 9:14:08 AM

Total: 2 comment(s)

Error: Subreport could not be shown.