

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:

400094723

Plugging Bond Surety

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 ☒

Refilling ☐

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: MIRACLE PFISTER Phone: (720)876-3761 Fax: (720)876-4861
Email: miracle.pfister@encana.com

7. Well Name: KEINATH FEDERAL Well Number: 9-12H2 (C10OU)

8. Unit Name (if appl): ORCHARD Unit Number: COC 66496X

9. Proposed Total Measured Depth: 14110

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 10 Twp: 8S Rng: 96W Meridian: 6

Latitude: 39.368668 Longitude: -108.099242

Footage at Surface: 1023 feet FNL/FSL FNL 1544 feet FEL/FWL FWL

11. Field Name: GRAND VALLEY Field Number: 31290

12. Ground Elevation: 5568 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 03/30/2010 PDOP Reading: 2.0 Instrument Operator's Name: C.D. SLAUGH

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

Footage at Top of Prod Zone: FNL/FSL 706 FNL 673 FWL 2434 FSL 570 FWL FWL
Sec: 10 Twp: 8S Rng: 96W Sec: 9 Twp: 8S 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: 3200 ft

18. Distance to nearest property line: 236 ft 19. Distance to nearest well permitted/completed in the same formation: 240 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.)
NIOBRARA	NBRR			

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC58674

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):
 8S-96W SEC 9: NE, S2NW, S2 SEC 10: W2NW, SW, W2SE SEC 14: SWNW, NWSW, SESW SEC 15: W2E2, SENE, S2, NESE, SEC 16: ALL

25. Distance to Nearest Mineral Lease Line: 570 ft 26. Total Acres in Lease: 2200

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	Wt/Ft	Csg/Line Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	20	LINEPIPE		40	5	40	0
SURF	14+3/4	10+3/4	40.5		1,400	665	1,400	0
1ST	9+7/8	7+5/8	29.7		7,483	1,019	7,483	0
2ND	6+1/2	5	23.2		14,110	440	14,110	0

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

33. Comments THE NEAREST DISTANCE IS TO A BUILDING AND ABOVE GROUND UTILITY. TOP OF INTERMEDIATE CASING WILL BE 200 FT ABOVE THE MSVD. TOP OF THE PRODUCTION CASING WILL BE 500 FT INSIDE THE INTERMEDIATE CASING.

34. Location ID: 334093

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: MIRACLE PFISTER

Title: REGULATORY ANALYST Date: 9/23/2010 Email: miracle.pfister@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. Nash Director of COGCC Date: 1/16/2011

Permit Number: _____ Expiration Date: 1/15/2013

API NUMBER

05 045 20325 00

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. PRODUCTION CASING CEMENT TOP VERIFICATION BY CBL REQUIRED.
2. 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.
3. 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.
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 294 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400094723	FORM 2 SUBMITTED
400094733	FED. DRILLING PERMIT
400094734	30 DAY NOTICE LETTER
400094736	SURFACE AGRMT/SURETY
400094737	PLAT
400094738	DEVIATED DRILLING PLAN

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	EMAILED MIRACLE TO RESOLVE THE SHL ISSUE WHICH SHOWS THE 9-12H2 WITH THE SAME SHL AS THE 9-14H, ALSO THE SHL IS LOCATED IN GARFIELD COUNTY NOT MESA COUNTY AS MARKED.	12/22/2010 5:36:17 AM
Permit	Trying to work the EnCana Keinath Federal 9-12H2 (C10OU) doc. # 400094723. Issue: the lat/long (verified on the well location plat) that were furnished duplicates those for the Keinath Federal 9-14H (C10OU). Please verify and send the corrected plat and I will alter the form 2 with your authorization, depending on the corrected SHL a new Directional Survey might be appropriate. Issue: multiple objective formations were stated for this horizontal, as per the request to Jason Oates any objective other than the targeted horizontal objective were removed (with his approval). Please verify and authorize the removal of such objectives.	11/18/2010 7:56:08 AM
Permit	HORIZONTAL WELL BUT HAS MULTIPLE OBJECTIVES, NEED TO EMAIL MIRACLE. BY	11/1/2010 7:00:40 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)