

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

|   |  |   |  |   |  |
|---|--|---|--|---|--|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER  |  | <b>CONFIDENTIAL</b>   |  | 5. Lease Serial No.<br>COC27823                     |  |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone                          |  |   |  | 6. If Indian, Allottee or Tribe Name                |  |
| 2. Name of Operator<br>ENCANA OIL & GAS (USA) INC.  |  | Contact: JEVIN R CROTEAU<br>E-Mail: jevin.croteau@encana.com              |  | 7. If Unit or CA Agreement, Name and No.            |  |
| 3a. Address<br>370 17TH STREET SUITE 1700<br>DENVER, CO 80202   |  | 3b. Phone No. (include area code)<br>Ph: 720-876-5339<br>Fx: 720-876-6339 |  | 8. Lease Name and Well No.<br>FEDERAL 31-2C (PF-31) |  |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface SENW 2336FNL 1440FWL 39.39492 N Lat, 108.04355 W Lon<br>At proposed prod. zone NWNE 770FNL 2287FEL 39.39919 N Lat, 108.03829 W Lon |  | 9. API Well No.   |  | 10. Field and Pool, or Exploratory<br>PARACHUTE     |  |
| 14. Distance in miles and direction from nearest town or post office*<br>4 MILES SOUTH OF PARACHUTE, CO   |  | 12. County or Parish<br>GARFIELD COUNTY                                   |  | 13. State<br>CO                                     |  |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)<br>1440'   |  | 16. No. of Acres in Lease<br>592.80                                       |  | 17. Spacing Unit dedicated to this well             |  |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.<br>290'   |  | 19. Proposed Depth<br>6938 MD<br>6083 TVD                                 |  | 20. BLM/BIA Bond No. on file<br>COB000235           |  |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.)<br>5833 GL   |  | 22. Approximate date work will start<br>08/01/2011                        |  | 23. Estimated duration<br>30 DAYS                   |  |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

|  |  |                    |
|--|--|--------------------|
| 25. Signature<br>(Electronic Submission) | Name (Printed/Typed)<br>JEVIN R CROTEAU Ph: 720-876-5339 | Date<br>02/16/2011 |
| Title<br>REGULATORY ANALYST              |  |                    |
| Approved by (Signature)                  | Name (Printed/Typed)                                     | Date               |
| Title                                    | Office   |                    |

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #102708 verified by the BLM Well Information System  
For ENCANA OIL & GAS (USA) INC., sent to the Glenwood Springs

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

**Additional Operator Remarks:**

APD processing fee and Geospatial data will be sent via U.S. Mail.