

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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| DE | ET | OE | ES |
|----|----|----|----|

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:

400137984

Plugging Bond Surety

20100017

3. Name of Operator: ENCANA OIL & GAS (USA) INC4. COGCC Operator Number: 1001855. Address: 370 17TH ST STE 1700City: DENVER State: CO Zip: 80202-56326. Contact Name: DeAnne Spector Phone: (720)876-5826 Fax: (720)876-6826Email: deanne.spector@encana.com7. Well Name: MCU Fee Well Number: 16-12C2 (M16W)8. Unit Name (if appl): Middleton Creek Unit Number: COC068997

X

9. Proposed Total Measured Depth: 10378

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 16 Twp: 7S Rng: 93W Meridian: 6Latitude: 39.440178 Longitude: -107.778294
 Footage at Surface: 656 feet FNL/FSL FSL 1367 feet FEL/FWL FWL
11. Field Name: Mamm Creek Field Number: 5250012. Ground Elevation: 7880 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 07/22/2010 PDOP Reading: 0.0 Instrument Operator's Name: Ted Taggart15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 1580 FSL 640 FEL/FWL FWL Bottom Hole: FNL/FSL 1580 FSL 640 FEL/FWL FWL
 Sec: 16 Twp: 7S Rng: 93W Sec: 16 Twp: 7S Rng: 93W
16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 815 ft18. Distance to nearest property line: 656 ft 19. Distance to nearest well permitted/completed in the same formation: 330 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Mesa Verde | MVRD | | | |

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):
T7S-R93W; Sec. 4: Lots 1, 2, E2SW; Sec. 8: S2NW, N2SW; Sec. 9: E2W2, NWNE; Sec. 16: SWNW, NWSW; Sec. 17: E2SE

25. Distance to Nearest Mineral Lease Line: _____ 640 ft _____ 26. Total Acres in Lease: _____ 643 _____

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☐ Offsite ☒ Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

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/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 24+0/0 | 16+0/0 | 65 | 0 | 40 | 5 | 40 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,107 | 356 | 1,107 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 10,378 | 728 | 10,378 | 0 |

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

33. Comments TOC will be 500'> TOG

34. Location ID: _____

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: 3/15/2011 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: _____ Director of COGCC Date: _____

| | | | |
|----|---------------------------------------|----------------------|------------------------|
| 05 | API NUMBER | Permit Number: _____ | Expiration Date: _____ |
| | 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.

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Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400137984 | FORM 2 SUBMITTED |
| 400138016 | DEVIATED DRILLING PLAN |
| 400143129 | PLAT |

Total Attach: 3 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---------|--------------|
| | | |

Total: 0 comment(s)

BMP

| Type | Comment |
|------|---------|
| | |

Total: 0 comment(s)