

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: 400189739

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

Plugging Bond Surety

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: SG Well Number: 8516C-21 N22496

8. Unit Name (if appl): Story Gulch Unit Number: COC69333X

9. Proposed Total Measured Depth: 13085

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 22 Twp: 4S Rng: 96W Meridian: 6
 Latitude: 39.683725 Longitude: -108.157283

Footage at Surface: 1153 feet FSL 1930 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 7585 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 08/03/2010 PDOP Reading: 2.9 Instrument Operator's Name: Greg Olsen

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

Footage at Top of Prod Zone: 769 FSL 1290 FEL Bottom Hole: 769 FSL 1290 FEL
 Sec: 21 Twp: 4S Rng: 96W Sec: 21 Twp: 4S 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: 13212 ft

18. Distance to nearest property line: 1930 ft 19. Distance to nearest well permitted/completed in the same formation: 202 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.)
Iles	ILES			
Williams Fork	WMFK			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC64815

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):
 T4S-R96W, 6th P.M.: Sec. 16, 17 & 18: ALL; Sec. 21: N2, SW, W2SE, SESE

25. Distance to Nearest Mineral Lease Line: 1290 ft 26. Total Acres in Lease: 2434

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: 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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	26	20	Line Pipe	0	120		120	
SURF	14+3/4	9+5/8	36#	0	2,000	626	2,000	
1ST	7+7/8	4+1/2	11.6#	0	13,085	1,263	13,085	

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

33. Comments Encana Oil & Gas (USA) Inc. owns surface. Please note cement will be run to surface for both conductor and surface casing. The surface casing hole size will be 14-3/4", 12-1/4" or 13-1/2". Production casing hole size will be both 7-7/8" and 8-3/4". Distance on #17 taken from the nearest building. Onsite was on 10/13/2010 with the BLM.

34. Location ID: 423064

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: _____ 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: _____ Director of COGCC Date: _____

API NUMBER
05

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.

Attachment Check List

Att Doc Num	Name
400189741	TOPO MAP
400189742	OTHER
400189743	PLAT
400189744	FED. DRILLING PERMIT
400189745	DEVIATED DRILLING PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)