

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		CONFIDENTIAL		5. Lease Serial No. COC58674
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 ENCANA OIL & GAS (USA) INC		Contact: MIRACLE PFISTER E-Mail: miracle.pfister@encana.com		7. If Unit or CA Agreement, Name and No. ORCHARD UNIT
3a. Address 370 17TH STREET, STE 400 DENVER, CO 80233		3b. Phone No. (include area code) Ph: 720-876-3761 Fx: 720-876-4861		8. Lease Name and Well No. KEINATH FEDERAL 15-1H2 (H16OU)
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENE 2209FNL 717FEL 39.350927 N Lat, 108.107000 W Lon At proposed prod. zone NENE 771FNL 62FEL				9. API Well No.
14. Distance in miles and direction from nearest town or post office* ~12 MILES SOUTH EAST OF THE TOWN OF DEBEQUE				10. Field and Pool, or Exploratory GRAND VALLEY
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 534'		16. No. of Acres in Lease 80.00		11. Sec., T., R., M., or Blk. and Survey or Area Sec 16 T8S R96W Mer 6PM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1500'		19. Proposed Depth 14817 MD 8989 TVD		12. County or Parish MESA COUNTY
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5845 GL		22. Approximate date work will start 10/01/2011		13. State CO
				17. Spacing Unit dedicated to this well
				20. BLM/BIA Bond No. on file COB000235
				23. Estimated duration 2 YEARS

24. Attachments

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

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| 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 (Electronic Submission)	Name (Printed/Typed) MIRACLE PFISTER Ph: 720-876-3761	Date 08/31/2011
Title 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 #116612 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:

THE KEINATH FEDERAL 15-1h2(H16OU) PLANNED HORIZONTAL WELL IS WITHIN THE ORCHARD UNIT BOUNDARY & THE H16OU WAS LISTED AS A PROPOSED PAD IN THE ORCHARD MASTER PLAN OF DEVELOPMENT AMENDMENT. THIS WELL PAD IS EXISTING AND PLANS TO BE EXPANDED.

BLM BOND COBOOO235/NATIONWIDE OIL & GAS BOND SURETY I.D. NO RLB0004733
SURFACE OWNERSHIP - FEE/MINERAL OWNERSHIP - FEDERAL

SURFACE OWNER:
STEVEN AND SHERRY KEINATH
884 CR 339
PARACHUTE, CO 81635

ATTACHMENTS:
DRILLING PLANS
DIRECTIONAL SURVEY
SURFACE USE PLAN
SELF CERT PAGE
SURVEY & PLAT
ONE-MILE RADIUS MAP

GIS DATA WILL BE E-MAILED DIRECTLY TO THE BLM.