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Document Number:
 400198830
 PluggingBond SuretyID
 20100017

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

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: 15-1H (H16OU)
 8. Unit Name (if appl): ORCHARD Unit Number: COC66496X
 9. Proposed Total Measured Depth: 14182

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 16 Twp: 8S Rng: 96W Meridian: 6
 Latitude: 39.350960 Longitude: -108.106935
 Footage at Surface: 2197 feet FNL/FSL FNL 698 feet FEL/FWL FEL
 11. Field Name: GRAND VALLEY Field Number: 31290
 12. Ground Elevation: 5845 13. County: MESA

14. GPS Data:
 Date of Measurement: 07/14/2010 PDOP Reading: 3.7 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 2236 FNL 677 FEL 677 Bottom Hole: FNL/FSL 191 FNL 726 FEL 726
 Sec: 16 Twp: 8S Rng: 96W Sec: 15 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: 1004 ft
 18. Distance to nearest property line: 698 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 775 ft

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.)
MANCOS GROUP	MNCS			

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 FEDERAL LEASE - SEC 9: NE, S2NW, S2 SEC 10: W2NW, SW, W2SE SEC 14: SWNW, NWSW, SESW SEC 15: W2E2, SENE, W2, NESE SEC 16: ALL 2200 ACRES FEE LEASE - SEC 14: NWNW SEC 15: NENE 80 ACRES

25. Distance to Nearest Mineral Lease Line: 191 ft 26. Total Acres in Lease: 2280

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	20	LINEPIPE	0	40	40	40	0
SURF	14+3/4	10+3/4	40.5	0	1,515	720	1,515	0
1ST	9+7/8	7+5/8	26.4	0	7,700	1,047	7,700	0
2ND	6+3/4	5	23.2	0	14,182	508	14,182	0

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

33. Comments THE NEAREST DISTANCE IS TO An ABOVE GROUND UTILITY. INTEREMDIATE CASING TOP OF CEMENT WILL BE 200' ABOVE MESAVERDE. TOP OF PRODUCTION CEMENT WILL BE 500 FT INSIDE THE INTERMEDIATE CASING. MINERAL OWNERSHIP IS MOSTLY FEDERAL BUT THE BOTTOM HOLE LOCATION IS IN A FEE LEASE. BOTH LEASES ARE IN THE ORCHARD UNIT.

34. Location ID: 334148

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: 8/26/2011 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. Nesline Director of COGCC Date: 10/16/2011

API NUMBER

05 077 10180 00

Permit Number: _____ Expiration Date: 10/15/2013

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS 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 SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 -MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.
- (5) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE SHALLOWEST-KNOWN PRODUCING HORIZON. VERIFY CEMENT WITH A CEMENT BOND LOG.
 •IF THE PRODUCTION LINER IS CEMENTED, VERIFY CEMENT WITH A CEMENT BOND LOG.

Attachment Check List

Att Doc Num	Name
2537546	FED. DRILLING PERMIT
400198830	FORM 2 SUBMITTED
400200341	30 DAY NOTICE LETTER
400200342	SURFACE AGRMT/SURETY
400200343	DEVIATED DRILLING PLAN
400200344	DRILLING PLAN
400200345	WELL LOCATION PLAT

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD/Pub. comments waived. Final Comprehensive Review Status--Passed.	10/11/2011 9:00:45 AM
Permit	rec'd fed. permit; oper. agreed w/ change of dist. to nearest well to 775'. ready to approve when 2A comes off DOW comment 10/9 and OGLA passes.	10/6/2011 2:16:31 PM
Permit	emailed oper. w/ second req. to look at footage from nearest well. rec'd fed. permit	10/6/2011 8:48:27 AM
Permit	CHANGED NEAR. UTIL. TO 1004' TO AGREE WITH 2A. REQ'D CLARIFICATION OF NEAR. WELL FROM OPERATOR. REQ'D FED. PERMIT.	9/22/2011 2:58:12 PM
Permit	Returned to draft. Missing plugging bond.	8/29/2011 7:05:17 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)