

FORM
2Rev
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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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 ☐

Document Number:

400199043

PluggingBond SuretyID

20100017

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: Heather Mitchell Phone: (720)876-3070 Fax: (720)876-4070
 Email: heather.mitchell@encana.com
 7. Well Name: N. Parachute Well Number: DHS3B-23 H15596
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 19431

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 15 Twp: 5S Rng: 96W Meridian: 6
 Latitude: 39.615969 Longitude: -108.146514

Footage at Surface: 2319 feet FNL 124 feet FEL
 FNL/FSL FEL/FWL

11. Field Name: Grand Valley Field Number: 31290
 12. Ground Elevation: 6433 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 11/22/2010 PDOP Reading: 2.6 Instrument Operator's Name: Robert Kay

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

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
2264 FNL 949 FWL 1672 FNL 1394 FEL
 Sec: 14 Twp: 5S Rng: 96W Sec: 23 Twp: 5S 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: 12777 ft

18. Distance to nearest property line: 124 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 15506 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.)
Mancos	MNCS			

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 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):

See attached lease maps

25. Distance to Nearest Mineral Lease Line: 852 ft

26. Total Acres in Lease: 25889

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 and 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	30	20	line pipe	0	120		120	0
SURF	14+3/4	10+3/4	46	0	2,500	885	2,500	0
2ND	9+7/8	7+5/8	30	0	11,400	856	11,400	
3RD	6+1/2	5	23	0	18,537	508	18,537	

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

33. Comments BLM owns surface and Encana owns the minerals. Surface is being covered by ROW with BLM# 17 is calculated from the nearest public utility. Conductor and surface casing cement will be run to surface. 2nd string will be cemented to 200' above TOG. 3rd string will be cemented into the 2nd string. 3rd string is a tapered string

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: Heather Mitchell

Title: Regulatory Analyst

Date: 8/29/2011

Email: heather.mitchell@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. Neslin

Director of COGCC Date: 10/16/2011

API NUMBER

05 045 21122 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) GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE

3) INTERMEDIATE CASING AND PRODUCTION CASING CEMENT TOP VERIFICATION BY CBL REQUIRED.

4) THE PROPOSED 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 000 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400199043	FORM 2 SUBMITTED
400199046	SURFACE AGRMT/SURETY
400199047	DEVIATED DRILLING PLAN
400199048	WELL LOCATION PLAT
400199049	MINERAL LEASE MAP

Total Attach: 5 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 8:31:29 AM
Permit	ready to approve in permitting when 2A DOW exp. 10/2	9/23/2011 10:07:14 AM
Permit	Returned to draft. Operator comment inconsistent with mineral owner.	8/29/2011 3:11:24 PM
Permit	Returned to draft. Operator comment inconsistent with mineral owner.	8/29/2011 3:01:43 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)