

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:
400195369
PluggingBond SuretyID

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: ORCHARD UNIT Well Number: 19-10H (K18OU)

8. Unit Name (if appl): ORCHARD Unit Number: COC66496X

9. Proposed Total Measured Depth: 14369

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 18 Twp: 8S Rng: 96W Meridian: 6
Latitude: 39.346231 Longitude: -108.155280

Footage at Surface: 1452 feet FNL/FSL FSL 983 feet FEL/FWL FWL

11. Field Name: GRAND VALLEY Field Number: _____

12. Ground Elevation: 5381 13. County: MESA

14. GPS Data:
Date of Measurement: 06/03/2010 PDOP Reading: 0.0 Instrument Operator's Name: TED TAGGART

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

1452 FSL 983 FWL 280 FSL 1095 FEL

Sec: 18 Twp: 8W Rng: 96W Sec: 19 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: 1950 ft

18. Distance to nearest property line: 1193 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 430 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 #: COC64191

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 SEC 19: E2SW, SE, LOTS 3 & 4 SEC 20: NE, NESE SEC 21: N2

25. Distance to Nearest Mineral Lease Line: 280 ft 26. Total Acres in Lease: 1090

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	16	LINEPIPE	0	40	5	40	0
SURF	14+3/4	10+3/4	40.5	0	1,504	820	1,504	0
1ST	9+7/8	7+5/8	26.4	0	6,513	918	6,513	0
2ND	6+3/4	5	23	0	14,369	615	14,369	6,013

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

33. Comments THE NEAREST DISTANCE IS TO AN ABOVE-GROUND UTILITY LINE. TOP OF INTERMEDIATE CEMENT IS 200' ABOVE MESAVERDE. TOP OF PRODUCTION CEMENT IS 500' INTO THE INTERMEDIATE CASING.

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: MIRACLE PFISTER

Title: REGULATORY ANALYST Date: 8/22/2011 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 G. Nashin Director of COGCC Date: 10/17/2011

API NUMBER
05 077 10186 00

Permit Number: _____ Expiration Date: 10/16/2013

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 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.
- (5) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE THE SHALLOWEST-KNOWN PRODUCING HORIZON. VERIFY CEMENT WITH A CEMENT BOND LOG (CBL). IF THE PRODUCTION LINER IS CEMENTED, ALSO VERIFY THE CEMENT WITH A CBL.

Attachment Check List

Att Doc Num	Name
400195369	FORM 2 SUBMITTED
400198492	DEVIATED DRILLING PLAN
400198493	WELL LOCATION PLAT

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD/pub. comm. waived. Final comprehensive review status--passed.	10/17/2011 8:11:54 AM
Permit	fed. permit not attached. ready to approve in permitting when OGLA passes 2A	10/5/2011 3:56:48 PM
Permit	REQ'D FED. PERMIT FROM OPERATOR.	9/20/2011 11:51:34 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)