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Document Number:
 400209417
 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: JENNIFER LIND Phone: (720)876-5890 Fax: (720)876-6890
 Email: JENNIFER.LIND@ENCANA.COM
 7. Well Name: BURY CRANDELL Well Number: 32-23
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 8619

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 23 Twp: 1N Rng: 68W Meridian: 6
 Latitude: 40.041290 Longitude: -104.964890
 Footage at Surface: 1051 feet FNL 1028 feet FEL
 11. Field Name: WATTENBERG Field Number: 90750
 12. Ground Elevation: 5113 13. County: BROOMFIELD

14. GPS Data:
 Date of Measurement: 09/28/2010 PDOP Reading: 1.7 Instrument Operator's Name: BURKE

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
2000 FNL 2118 FEL 2000 FNL 2118 FEL
 Sec: 23 Twp: 1N Rng: 68W Sec: 23 Twp: 1N Rng: 68W

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: 435 ft
 18. Distance to nearest property line: 986 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1122 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.)
CODELL	CODL	407	160	NE/4
J SAND	JSND	232	320	E/2
NIOBRARA	NBRR	407	160	NE/4

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):

T1N-R68W-SEC.23: NE/4

25. Distance to Nearest Mineral Lease Line: 510 ft 26. Total Acres in Lease: 160

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
SURF	12+1/4	8+5/8	24	0	1,090	350	1,090	0
1ST	7+7/8	4+1/2	11.6	0	8,619	310	8,619	7,439
			Stage Tool		5,650	250	5,650	4,627

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

33. Comments BURY CRANDELL 32-23 REFILE. NO CONDUCTOR CASING WILL BE UTILIZED.

34. Location ID: 321535

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: JENNIFER LIND

Title: REGULATORY ANALYST Date: 10/3/2011 Email: JENNIFER.LIND@ENCANA.

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: 10/28/2011

API NUMBER

05 014 20679 00

Permit Number: _____ Expiration Date: 10/27/2013

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) Note surface casing setting depth change from 800' to 1090'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
400209417	FORM 2 SUBMITTED
400210624	TOPO MAP
400210625	WELL LOCATION PLAT
400210626	SURFACE AGRMT/SURETY
400210628	DEVIATED DRILLING PLAN
400210656	MINERAL LEASE MAP
400210660	30 DAY NOTICE LETTER

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received.	10/25/2011 10:39:47 AM
Permit	Okay to pass pending public comment 10/24/11	10/5/2011 10:04:41 AM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)