

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:
400221444

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: Nick Curran Phone: (720)876-5288 Fax: (720)876-6288
Email: nick.curran@encana.com

7. Well Name: STELLING Well Number: 3A-4H

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 11735

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 4 Twp: 1N Rng: 65W Meridian: 6
Latitude: 40.075200 Longitude: -104.671220

Footage at Surface: 684 feet FSL 2013 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4916 13. County: WELD

14. GPS Data:
Date of Measurement: 10/17/2011 PDOP Reading: 2.3 Instrument Operator's Name: TOM WINANS

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

816 FSL 1681 FWL 460 FNL 1242 FWL

Sec: 4 Twp: 1N Rng: 65W Sec: 4 Twp: 1N Rng: 65W

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: 1131 ft

18. Distance to nearest property line: 684 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 461 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.)
NIOBRARA	NBRR	407-87	320	GWA

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-R65W SEC 4 LOT 2, S2NW4 & PART OF LOT 1 & THE S2NE4 LYING WEST OF THE BEEBE CANAL

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 185

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	22	16	30	0	80	80	80	0
SURF	12+1/4	9+5/8	40	0	970	198	970	0
1ST	8+3/4	7	26	0	7,455	911	7,455	500
2ND	6+1/8	4+1/2	13.5	0	11,735	377	11,735	7,155

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

33. Comments Proposed spacing unit includes the W/2 sec 4.

34. Location ID: 331527

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: NICK CURRAN

Title: PERMITTING AGENT Date: 11/7/2011 Email: NICK.CURRAN@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. Nesline Director of COGCC Date: 11/30/2011

API NUMBER

05 123 34764 00

Permit Number: _____ Expiration Date: 11/29/2013

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 970'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Jim Precup via e-mail at jim.precup@state.co.us.
- 3) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from the end of production casing 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 sampling requirements as per Rule 318A.

Attachment Check List

Att Doc Num	Name
2481279	SURFACE CASING CHECK
400221444	FORM 2 SUBMITTED
400221461	30 DAY NOTICE LETTER
400221462	WELL LOCATION PLAT
400221463	LEASE MAP
400221472	TOPO MAP
400221474	DEVIATED DRILLING PLAN
400221499	PROPOSED SPACING UNIT
400221502	OTHER
400221503	SURFACE AGRMT/SURETY

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received; final review completed.	11/29/2011 3:52:21 PM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>Best Management Practice for a Horizontal Wellbore Fracturing Stimulation</p> <ol style="list-style-type: none">1. At least seven (7) days prior to fracture stimulation, the operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated date stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved.4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.

Total: 1 comment(s)