

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

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| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | CONFIDENTIAL | | 5. Lease Serial No. COC01523 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator ENCANA OIL & GAS (USA) INC | | Contact: JEVIN CROTEAU E-Mail: jevin.croteau@encana.com | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address 370 17TH STREET SUITE 1700 DENVER, CO 80202 | | 3b. Phone No. (include area code) Ph: 720-876-5339 Fx: 720-876-6339 | | 8. Lease Name and Well No. FEDERAL 21-16D (PJ-21) |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSE 2092FSL 2056FEL 39.421528 N Lat, 107.999978 W Lon At proposed prod. zone SESE 275FSL 430FEL 39.416538 N Lat, 107.994212 W Lon | | | | 9. API Well No. |
| 14. Distance in miles and direction from nearest town or post office* 3.5 MILES SOUTHEAST OF PARACHUTE, CO | | | | 10. Field and Pool, or Exploratory PARACHUTE |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 794' TO PROPERTY LINE & 2196' TO LEASE LINE | | 16. No. of Acres in Lease 2536.00 | | 11. Sec., T., R., M., or Blk. and Survey or Area Sec 21 T7S R95W Mer 6PM |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 630' | | 19. Proposed Depth 7984 MD 7382 TVD | | 12. County or Parish GARFIELD |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.) 6299 GL | | 22. Approximate date work will start 06/01/2012 | | 13. State CO |
| | | | | 17. Spacing Unit dedicated to this well |
| | | | | 20. BLM/BIA Bond No. on file COB000235 |
| | | | | 23. Estimated duration 5 MONTHS |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

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| 25. Signature (Electronic Submission) | Name (Printed/Typed) JEVIN CROTEAU Ph: 720-876-5339 | Date 12/20/2011 |
| Title AUTHORIZED REPRESENTATIVE | | |
| Approved by (Signature) | Name (Printed/Typed) | Date |
| Title | Office | |

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #126348 verified by the BLM Well Information System
For ENCANA OIL & GAS (USA) INC, sent to the Glenwood Springs

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional Operator Remarks:

BLM application fee will be sent via U.S. Mail and Geospatial data will be sent via electronic mail.