

FORM
2

Rev
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



Document Number:

400261570

Date Received:

03/15/2012

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: Heather Mitchell Phone: (720)876-3070 Fax: (720)876-4070

Email: heather.mitchell@encana.com

7. Well Name: Powell DHS Well Number: 3C-23 H23 4101

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

9. Proposed Total Measured Depth: 8395

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 23 Twp: 4S Rng: 101W Meridian: 6

Latitude: 39.688675 Longitude: -108.692561

Footage at Surface: 1650 feet FNL/FSL 1139 feet FEL/FWL FEL

11. Field Name: Trail Canyon Field Number: 83820

12. Ground Elevation: 6753 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 02/07/2012 PDOP Reading: 1.9 Instrument Operator's Name: Ben Johnson

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

Footage at Top of Prod Zone: FNL/FSL 2170 FNL 1934 FEL 665 FSL 1944 FEL 665
Sec: 23 Twp: 4S Rng: 101 Sec: 23 Twp: 4S Rng: 101
W W

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: 773 ft

18. Distance to nearest property line: 360 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1352 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#: 20090011

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):

Township 4 South, Range 101 West, 6th P. M. Section 23: W/2SE, Section 23: S/2NE. There are 2 separate mineral leases for this location, but the interest owners are the same. Encana currently has 20% of the mineral leases signed.

25. Distance to Nearest Mineral Lease Line: 665 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: 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	319	120	
SURF	14+3/4	10+3/4	40.5#	0	1,000	469	1,000	
1ST	9+7/8	7+5/8	26.4#	0	4,000	177	4,000	
2ND	6+1/2	4+1/2	11.6#	0	12,318	180	5,500	

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

33. Comments A surface use agreement is being finalized with the Surface Owner. Distance in # 17 is from the nearest public road. Conductor and surface casing cement will be run to surface. 1st string (intermediate casing) will be cemented to 200' above surface casing shoe. 2nd string (production casing) will be cemented 1000' into intermediate shoe. 2nd string is a tapered string 5 1/2 (17#) to 4 1/2 (11.6#). Production casing is designed for an open hole packers type completion. Hydraulic set packers will be spaced 200-300' apart throughout the pay interval that will be activated with pressure from surface. Above the packers in the well will be a casing packer/pack valve system at ~5500' in this well. Production cement will be pumped through the pack valve tool to cement 1000' ft into the intermediate casing. This cement, along with the casing packer and open hole packers, will create isolation from the production section.

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: 3/15/2012

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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

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Attachment Check List

Att Doc Num	Name
400261570	FORM 2 SUBMITTED
400261578	WELL LOCATION PLAT
400261579	DEVIATED DRILLING PLAN
400261580	DIRECTIONAL DATA

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)