

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:

400251571

Date Received:

02/21/2012

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 ☐

PluggingBond SuretyID

20100017

3. Name of Operator: ENCANA OIL & GAS (USA) INC4. COGCC Operator Number: 1001855. Address: 370 17TH ST STE 1700City: DENVER State: CO Zip: 80202-56326. Contact Name: JENNIFER LIND Phone: (720)876-5890 Fax: (720)876-6890Email: JENNIFER.LIND@ENCANA.COM7. Well Name: IONE Well Number: 4-8-4

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

9. Proposed Total Measured Depth: 8030

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 4 Twp: 2N Rng: 66W Meridian: 6Latitude: 40.161480 Longitude: -104.783770

Footage at Surface: 600 feet FNL/FSL 2205 feet FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 9075012. Ground Elevation: 4928 13. County: WELD

14. GPS Data:

Date of Measurement: 02/04/2010 PDOP Reading: 1.9 Instrument Operator's Name: BURKE15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 50 FSL 2590 FEL/FWL FWL Bottom Hole: FNL/FSL 50 FSL 2590 FEL/FWL FWL
 Sec: 4 Twp: 2N Rng: 66W Sec: 4 Twp: 2N Rng: 66W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 250 ft18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 700 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.)
CODELL	CODL	407	160	GWA
J SAND	JSND	232-23	160	GWA
NIOBRARA	NBRR	407	160	GWA

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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):

T2N-R66W-SEC.2: ALL; SEC.4:S/2; SEC.8: NE/4; SEC.10: E/2

25. Distance to Nearest Mineral Lease Line: 50 ft

26. Total Acres in Lease: 1680

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	800	291	800	0
1ST	7+7/8	4+1/2	11.6	0	8,030	170	8,030	6,973

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

33. Comments RE-FILE OF THE IONE 4-8-4. NO CONDUCTOR CASING WILL BE UTILIZED. PROPOSED SPACING UNIT IS SWSE, SESW OF SEC.4 AND NWNE, NENW OF SEC.9.

34. Location ID: 331119

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

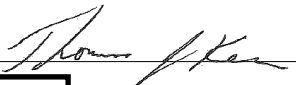
36. Is this application part of submitted Oil and Gas Location Assessment ? ☐ Yes ☒ No

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: 2/21/2012 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:  Director of COGCC Date: 3/18/2012

API NUMBER

05 123 31419 00

Permit Number: _____ Expiration Date: 3/17/2014

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.

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

- 1) Provide 48 hour notice of MIRU to Mike Hickey via e-mail at mike.hickey@state.co.us or via an electronic Form 42.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with a cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from the TD to surface. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2481454	SURFACE CASING CHECK
400251571	FORM 2 SUBMITTED
400253719	PROPOSED SPACING UNIT
400253720	30 DAY NOTICE LETTER
400253721	TOPO MAP
400253722	WELL LOCATION PLAT
400253723	MINERAL LEASE MAP
400253724	DIRECTIONAL DATA
400253725	DEVIATED DRILLING PLAN

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	3/15/2012 12:51:40 PM
Permit	Operator corrected SHL. This form has passed completeness.	2/22/2012 7:21:39 AM
Permit	Returned to draft. SHL does not match plat.	2/21/2012 1:21:25 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)