

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400301976

Date Received:

07/09/2012

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: Latham DHS Well Number: 2C-13 O12 8100

8. Unit Name (if appl): McKay Fork Unit Number: 75338X

9. Proposed Total Measured Depth: 12513

WELL LOCATION INFORMATION

10. QtrQtr: LOT 4 Sec: 12 Twp: 8S Rng: 100W Meridian: 6

Latitude: 39.370681 Longitude: -108.492781

Footage at Surface: 1050 feet FNL/FSL 484 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6725 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 04/14/2012 PDOP Reading: 1.3 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 400 FSL 351 FEL 650 FEL 470 FEL
Sec: 12 Twp: 8S Rng: 100 W Sec: 13 Twp: 8S Rng: 100 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: 1260 ft

18. Distance to nearest property line: 269 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1327 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#: _____

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):

FEE OGL (SHL OGL and part of wellbore path) - 8S-99W-Sec. 17: Resurvey Tract 47, Section 18: Tracts 46 and 47 T8S-R100W-Sec. 10: N/2SE, SESE Sec. 11: N/2S/2, SWSW Sec. 12: Lot 4, S/2SW Sec. 13: Lot 1, NENW, Lot 2. COC 12750 (final BHL) - T8S-R99W-Sec. 18: Lots 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, E/2SW, S/2SE T8S-R100W-Sec. 11: SESW, S/2SE, Sec. 13: Lots 3, 4, SW Sec. 14: E/2W/2, E/2

25. Distance to Nearest Mineral Lease Line: 1975 ft

26. Total Acres in Lease: 2412

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	0
SURF	14+3/4	10+3/4	40.5	0	1,000	469	1,000	0
2ND	9+7/8	7+5/8	26.4	0	6,225	720	6,225	
3RD	6+3/4	4+1/2	12	0	12,513	565	12,513	

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

33. Comments Distance in #17 is to the nearest public road. This well is fee surface and fee/fed minerals. Conductor and surface casing will be run to surface. 2nd String will be cemented to 200' above top of Gas. 3rd string is tapered and is both 5 1/2 and 4 1/2. 3rd string will be cemented 200' into the 2nd string. Total lease acres refers to BLM Lease COC 012750 at BHL.

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: 7/9/2012 Email: heather.mitchell@encana.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: Matthew Lee Director of COGCC Date: 8/18/2012

API NUMBER

05 045 21697 00

Permit Number: _____ Expiration Date: 8/17/2014

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.

- 1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
- 2) GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE
- 3) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE TOP OF GAS [OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON]. VERIFY CEMENT WITH A CEMENT BOND LOG.
- 4) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400301976	FORM 2 SUBMITTED
400301983	WELL LOCATION PLAT
400301984	DEVIATED DRILLING PLAN
400301985	DIRECTIONAL DATA

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comments. Final Review--passed.	8/15/2012 7:56:34 AM
Permit	Per oper. added Lot 2 to fee lease description in Sec. 13. Corrected total lease acres.	7/31/2012 8:33:56 AM
Permit	Need complete fee lease description & total acres confirmed. Changed dist. to min. lease to 0'.	7/30/2012 7:59:56 AM
LGD	Passed DB	7/11/2012 10:53:02 AM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)