

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:

400320925

Date Received:

09/13/2012

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: Erin Hochstetler Phone: (720)876-5827 Fax: ()

Email: erin.hochstetler@encana.com

7. Well Name: N. Parachute Well Number: WF04B-30 I25596

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

9. Proposed Total Measured Depth: 10687

WELL LOCATION INFORMATION

10. QtrQtr: 4 Sec: 25 Twp: 5S Rng: 96W Meridian: 6

Latitude: 39.584789 Longitude: -108.109478

Footage at Surface: 2143 feet FNL/FSL 245 feet FEL/FWL FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 5824 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 11/08/2011 PDOP Reading: 2.2 Instrument Operator's Name: Robert Kay

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 _____
678 FNL 258 FWL 678 FNL 258 FWL
Sec: 30 Twp: 5S Rng: 95W Sec: 30 Twp: 5S Rng: 95W

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: 600 ft

18. Distance to nearest property line: 4784 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 278 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | 510-13 | | |
| Williams Fork | WMFK | 510-13 | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC60234

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):

T5S R95W: SEC 30 LOT 2 (40.00 NWNW), LOT 3 (21.49 NWNW), LOT 4 (18.78 SWNW), LOT 5 (2.78 SWNW), LOT 6 (40.00 SWNW), LOT 8 (40.00 NESW), LOT 9 (40.00 NWSW), LOT 10 (14.95 NESW), LOT 11 (6.67 NWSW), LOT 12 (3.48 SWSW), LOT 13 (18.21 SWSW), LOT 14 (40.00 SWSW), LOT 15 (40.00 SESW) W2SE, NESE

25. Distance to Nearest Mineral Lease Line: 258 ft 26. Total Acres in Lease: 614

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 & 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 | 26 | 16 | line pipe | 0 | 120 | 0 | 120 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,800 | 368 | 1,800 | 0 |
| 2ND | 8+3/4 | 7+7/8 | 12 | 0 | 10,686 | 795 | 10,686 | |

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

33. Comments Production casing hole size will be either 8-3/4 or 7-7/8 and will be cemented 200' above the top of WMFK. Encana is the surface owner, therefore we do not need a surface owner's agreement.

34. Location ID: 335590

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: Erin Hochstetler

Title: Permitting Technician Date: 9/13/2012 Email: erin.hochstetler@encana.co

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400320925 | FORM 2 SUBMITTED |
| 400321015 | WELL LOCATION PLAT |
| 400321017 | DEVIATED DRILLING PLAN |
| 400323921 | FED. DRILLING PERMIT |
| 400327600 | DIRECTIONAL DATA |

Total Attach: 5 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---------|--------------|
| | | |

Total: 0 comment(s)

BMP

| Type | Comment |
|------|---------|
| | |

Total: 0 comment(s)