

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:

400330801

Date Received:

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) 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: RAY NELSON Well Number: 4-8-32

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

9. Proposed Total Measured Depth: 8599

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 32 Twp: 2N Rng: 68W Meridian: 6

Latitude: 40.091970 Longitude: -105.021950

Footage at Surface: 1558 feet FNL/FSL FSL 1187 feet FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4964 13. County: WELD

14. GPS Data:

Date of Measurement: 06/15/2010 PDOP Reading: 1.4 Instrument Operator's Name: CRIAG BURKE

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

Footage at Top of Prod Zone: FNL/FSL 50 FSL 2612 FWL FWL Bottom Hole: FNL/FSL 50 FSL 2612 FWL FWL
Sec: 32 Twp: 2N Rng: 68W Sec: 32 Twp: 2N Rng: 98W

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: 917 ft

18. Distance to nearest property line: 180 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 710 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 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):
 SW,S2NW LYING S&E OF RR ROW & PART OF N2NE OF SEC 32,T2N,R68W.

25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 245388

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	350	800	0
1ST	7+7/8	4+1/2	11.6	0	8,599	290	8,599	7,510

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

33. Comments NO CONDUCTOR CASING WILL BE USED. Proposed GWA Unit Configuration for NB-CD & JSND: Sec 32 2N 68W: SESW, SWSE & Sec 5 1N 68W: NENW, NWNE ; This well was originally approved administratively as a Rule 318A.c.(2) exception location. Encana has been unable to obtain surface owner consent to the twinning exception (although an SUA has been signed and the Memorandum is attached to this document). The location of wellheads will be greater than 50' from the existing well "Nelson E Unit #2". The location of the existing well is a property line exception location, so any well twinning the existing well would also be. The current location was chosen to gain an appropriate distance from surface waters. Due to topographic / surface constraints, the un-twinning location as originally approved is more appropriate for the safety and protection for the environment. Encana requests that this re-file be administratively approved as a 318A(l)c.(1) exception location due to circumstances listed above. An exception location request letter including this information has been attached. THIS WELL HAS NOT YET BEEN DRILLED THEREFORE THE CURRENT 2A IS STILL RELEVANT.

34. Location ID: 319034

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: _____ Email: erin.hochstetler@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
05 123 32435 00

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
400331017	DEVIATED DRILLING PLAN
400331019	LEASE MAP
400331020	PROPOSED SPACING UNIT
400331023	WELL LOCATION PLAT
400331025	EXCEPTION LOC REQUEST
400331026	30 DAY NOTICE LETTER
400331027	SURFACE AGRMT/SURETY
400331028	TOPO MAP
400331051	DIRECTIONAL DATA

Total Attach: 9 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)