

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:

400360061

Date Received:

01/02/2013

PluggingBond SuretyID

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) 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: SG Well Number: 8506B-34 E344968. Unit Name (if appl): BIG JIMMY UNIT Unit Number: COC74105X9. Proposed Total Measured Depth: 12495

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 34 Twp: 4S Rng: 96W Meridian: 6Latitude: 39.660022 Longitude: -108.160564

Footage at Surface: 2202 feet FNL/FSL FNL 1005 feet FEL/FWL FWL

11. Field Name: GRAND VALLEY Field Number: 3129012. Ground Elevation: 8324 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 06/01/2012 PDOP Reading: 1.4 Instrument Operator's Name: ROBERT KAY15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1638 FNL 1338 FWL 1638 FNL 1338 FWL
 Bottom Hole: FNL/FSL 1638 FNL 1338 FWL
 Sec: 34 Twp: 4S Rng: 96W Sec: 34 Twp: 4S Rng: 96W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 3 mi18. Distance to nearest property line: 2482 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 264 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.)
WILLIAMS FORM	WMFK	510-13		

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC6955722. 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):

PLEASE SEE ATTACHED MAP

25. Distance to Nearest Mineral Lease Line: 1314 ft

26. Total Acres in Lease: 818

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	26	20	LINE PIPE	0	120	176	120	0
SURF	12+1/4	9+5/8	36	0	2,500	782	2,500	0
1ST	7+7/8	4+1/2	11.6	0	12,495	1,335	12,495	7,479

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

33. Comments PLEASE NOTE THAT ENCANA OIL & GAS (USA) INC. IS THE SURFACE OWNER FOR THIS LOCATION. #17 IS CALCULATED FROM NEAREST BUILDING. SURFACE CASING HOLE SIZE WILL BE 14-3/4", 12-1/4" OR 13-1/2". CONDUCTOR CASING WILL BE CEMENTED TO SURFACE. PRODUCTION CASING WILL BE CEMENTED 200' INTO THE SURFACE CASING.

34. Location ID: 335928

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: 1/2/2013 Email: JENNIFER.LIND@ENCANA.C

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: 2/22/2013

API NUMBER

05 045 21925 00

Permit Number: _____ Expiration Date: 2/21/2015

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.

(3) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400360061	FORM 2 SUBMITTED
400363754	MINERAL LEASE MAP
400363755	TOPO MAP
400363758	FED. DRILLING PERMIT
400363759	WELL LOCATION PLAT
400363760	DEVIATED DRILLING PLAN
400366205	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	OK OGLA approves 2/1/13.	1/24/2013 10:05:29 AM
Engineer	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 00 FEET DEEP.	1/10/2013 1:48:55 PM
LGD	Passed DB	1/9/2013 2:15:55 PM
Permit	Operator corrected location on spreadsheet and corrected attachments. Ready to pass completeness.	1/9/2013 10:41:15 AM
Permit	Return to draft: 1. submitted well name does not match all attachments (SG 8506B-34 E34496), 2. well location is incomplete on directional drilling data spreadsheet/template.	1/2/2013 11:10:14 PM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)