

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:

400399922

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: Bonnie Lamond Phone: (720)876-5156 Fax: (720)876-6177

Email: bonnie.lamond@encana.com

7. Well Name: Marcus State Well Number: 3E-36H (M266)

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

9. Proposed Total Measured Depth: 12057

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 36 Twp: 2N Rng: 66W Meridian: 6

Latitude: 40.088280 Longitude: -104.730000

Footage at Surface: 317 feet FNL/FSL FSL 1354 feet FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5039 13. County: WELD

14. GPS Data:

Date of Measurement: 11/03/2012 PDOP Reading: 2.0 Instrument Operator's Name: John Rice

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

Footage at Top of Prod Zone: FNL/FSL 743 FSL 1942 FWL _____ Bottom Hole: FNL/FSL 460 FNL 2000 FWL _____
Sec: 36 Twp: 2N Rng: 66W Sec: 36 Twp: 2N Rng: 66W

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: 308 ft

18. Distance to nearest property line: 317 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 130 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	GWA	320	T2N R66W SEC 36: W/2

21. Mineral Ownership: Fee State Federal Indian Lease #: 72/2025-S

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):

T2N R66W SEC 36: W2. Mineral lease map attached.

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 320

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
CONDUCTOR	22	16	30	0	80	80	80	0
SURF	12+1/4	9+5/8	40	0	1,102	138	1,102	0
1ST	8+3/4	7	26	0	7,925	449	7,925	802
2ND	6+1/8	4+1/2	13.5	0	12,056	170	12,056	7,625

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

33. Comments The subject well is nearest to a public road, about 308 feet away. Encana Oil & Gas (USA) Inc. requests the approval of a 318A(l).a.(1) and 318A(l).c(1) exception location as the well head is to be located outside of a GWA drilling window and further than 50' from an existing well. Request letter and waivers attached. Encana Oil & Gas (USA) Inc. requests the approval for the omission of open hole logs, request letter attached. The nearest existing well, Encana's "Marcus State 24-36" is 130 feet from the proposed bottom hole location; Encana Oil & Gas (USA) Inc. requests a variance to rule 318A.m, letter to request variance attached.

34. Location ID: 317605

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: Bonnie Lamond

Title: Permitting Technician Date: _____ Email: bonnie.lamond@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

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.

Data retrieval failed for the subreport 'rptPolicy_NTO' located at: W:\netpub\Net\Reports\policy_nto.rdl. Please check th

Attachment Check List

Att Doc Num	Name
400399936	30 DAY NOTICE LETTER
400399937	WELL LOCATION PLAT
400399939	EXCEPTION LOC WAIVERS
400399944	EXCEPTION LOC REQUEST
400399946	PROPOSED SPACING UNIT
400399948	OTHER
400399949	SURFACE AGRMT/SURETY
400399952	MINERAL LEASE MAP
400404813	DEVIATED DRILLING PLAN
400404814	DIRECTIONAL DATA
400404815	EXCEPTION LOC WAIVERS
400404816	OFFSET WELL EVALUATION
400404825	EXCEPTION LOC REQUEST

Total Attach: 13 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>
Drilling/Completion Operations	Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
Drilling/Completion Operations	Encana will comply with the "COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012.

Total: 2 comment(s)