

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:

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Date Received:

08/13/2009

PluggingBond SuretyID

20050043

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: NICK G. CURRAN Phone: (720)876-5288 Fax: (720)876-6288Email: NICK.CURRAN@ENCANA.COM7. Well Name: SEGAL Well Number: 2-4-24

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

9. Proposed Total Measured Depth: 7921

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 24 Twp: 4N Rng: 66W Meridian: 6Latitude: 40.295700 Longitude: -104.732500Footage at Surface: 1980 feet FSL 678 feet FWL11. Field Name: WATTENBERG Field Number: 9075012. Ground Elevation: 4734 13. County: WELD

14. GPS Data:

Date of Measurement: 12/04/2007 PDOP Reading: 0.9 Instrument Operator's Name: DALLAS NIELSEN15. 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
2590 FNL 1320 FWL 2590 FNL 1320 FWL
Sec: 24 Twp: 4N Rng: 66W Sec: 24 Twp: 4N Rng: 66W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 678 ft18. Distance to nearest property line: 678 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 888 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODLL | CODL | 407-87 | 160 | GWA |
| NIOBRARA | NBRR | 407-87 | 160 | GWA |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. 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 ☐ No23b. 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):

T4N-R66W SEC 24 N/2

25. Distance to Nearest Mineral Lease Line: 47 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 |
|-------------|--------------|----------------|------------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 8+5/8 | 24 | | 538 | 255 | 538 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | | 7938 | 260 | 6430 | 7938 |
| | | | Stage Tool | | 4790 | 170 | 3960 | 4790 |

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

33. Comments NO CONDUCTOR CASING WILL BE USED. RECOMPLETION TWINNING MARTINSON 13-24

34. Location ID: 332684

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: NICK G. CURRAN

Title: REGULATORY AGENT Date: 8/14/2009 Email: NICK.CURRAN@ENCANA.CO

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: David S. Neslin Director of COGCC Date: 10/18/2009

API NUMBER

05 123 25584 00

Permit Number: _____ Expiration Date: 10/17/2011

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.

Description

PLEASE REMOVE 318A WATER WELL SAMPLING REQUIRMENTS AS THIS HAS BEEN SATISFIED. AJF

OPERATOR MUST MEET WATER WELL TESTING REQUIREMENTS AS PER AMENDED RULE 318A.

Attachment Check List**Att Doc Num****Name**

| | |
|-----------|--------------|
| 1687361 | OTHER |
| 1758405 | APD APPROVED |
| 400010448 | APD ORIGINAL |

Total Attach: 3 Files

General Comments**User Group****Comment****Comment Date**

| | | |
|--|--|--|
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Total: 0 comment(s)

Best Management Practices**No BMP/COA Type****Description**

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