

BEFORE THE COLORADO OIL & GAS
CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
ENCANA OIL & GAS (USA) INC. FOR AN)	
ORDER ALLOWING AN EXCEPTION)	Cause No. _____
LOCATION FOR A WELL TO BE COMPLETED)	
IN THE WILLIAMS FORK FORMATION,)	Docket No. _____
GARFIELD COUNTY, COLORADO)	

APPLICATION

Encana Oil & Gas (USA) Inc., by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Colorado Oil and Gas Conservation Commission ("Commission") for an order allowing an exception location for a well to be completed in the Williams Fork Formation in the NW¼NW¼, Section 12, Township 7 South, Range 92 West, Garfield County, Colorado ("Application Lands"). In support thereof, Encana Oil & Gas (USA) Inc. (referred to herein as "Applicant") states and alleges as follows:

1. The Application Lands are subject to Commission Rule 318.a. Rule 318.a. establishes a well drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any producible or drilling oil and gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.
2. Applicant intends to drill and complete the Twin Creek 12-4A1 Well with the following bottomhole location: 545' FNL, 660' FWL in the NW¼NW¼ of Section 12, Township 7 South, Range 92 West, Garfield County, Colorado. A plat reflecting the location is attached as Exhibit A. The Twin Creek 12-4A1 Well is located in Uncommitted Tract B, as illustrated on Exhibit A, and is within the exterior boundaries of the Hunter Mesa Unit.
3. Applicant seeks an exception from Rule 318.a. in that it seeks to drill and complete the Twin Creek 12-4A1 Well as a directional well at a bottomhole location:
 - a. Approximately 545 feet south of the northern lease line of Uncommitted Tract B and 439 feet north of the southern lease line of Uncommitted Tract B;
 - b. Approximately 490 feet from the bottomhole location of the proposed Twin Creek 12-4D1 Well located in the NW¼NW¼ of Section 12, Township 7 South, Range 92 West, which is also within the exterior boundaries of the Hunter Mesa Unit; and
 - c. Approximately 540 feet from the bottomhole location of the existing Juniper 12-4A Well located in the SW¼SW¼ of Section 1, Township 7 South, Range 92 West and within Uncommitted Tract C, as illustrated on Exhibit A, which is also within the exterior boundaries Hunter Mesa Unit.
4. There will be no well pads on the Application Lands. The surface hole location of the Twin Creek 12-4A1 Well is 2,538' FNL, 1,590' FWL of Section 12, Township 7 South, Range 92 West and is located on Well Pad F12E in the SE¼NW¼ of Section 12, Township 7 South, Range 92 West within the Hunter Mesa Unit, as illustrated on Exhibit A. The Twin Creek 12-4A1 Well will share a common pad with eight wells.
5. That in order to prevent waste and protect correlative rights of all owners in the area surrounding the proposed location, it is reasonable and equitable to permit an exception location to allow the drilling and completion of a well in the described location. Applicant also asserts that Commission Rule 318.c. provides for exception locations when geologic, environmental, or topographic conditions warrant a variance from field rules. Applicant believes, and therefore states, that geologic conditions and mineral owner interest matters exist that warrant a variance for the location of the Twin Creek 12-4A1 Well.

6. Applicant asserts the Twin Creek 12-4A1 Well can be developed in a manner consistent with protection of public health, safety and welfare.
7. Contiguous and cornering owners of lands toward whom the well is located and are affected by the exception location and have not executed waivers consenting to this exception location are set forth on Exhibit B attached hereto. Applicant is the operator of the Hunter Mesa Unit and of the offset leases to the proposed exception location and royalty owners comprise the majority of those parties identified on Exhibit B. There are no additional working interest owners.
8. The undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.d.

WHEREFORE, Applicant respectfully requests that either the Director approve this request pursuant to Rule 502.b(1) or, if necessary, this matter be set for hearing at the next regular hearing date, that notice thereof be given as required by law and that upon such hearing the Commission enter its order:

A. Determining that the Twin Creek 12-4A1 Well may be drilled and completed from the Williams Fork Formation in the Application Lands at the aforesaid location.

B. Granting any other relief necessary to prevent waste and protect correlative rights of the owners.

DATED this ____ day of April, 2010.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC.

By: _____
Michael J. Wozniak
Jamie L. Jost
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:

370 17th Street, Suite 1700
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Dorothy Dejmal, _____, of Encana Oil & Gas (USA) Inc., upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information, and belief.

Dorothy Dejmal

Subscribed and sworn to before this ____ day of April, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL}

EXHIBIT A – Plat

See attached document.

EXHIBIT B - Interested Parties

2 Quiat LLC Gerald M Quiat Manager
c/o The Quiat Company
1873 S Bellaire St, Ste 900
Denver, CO 80222

Altman Family Limited Partnership
2400 Cherry Crk Dr S
Unit 603
Denver, CO 80209

Devra Altman
2020 E 4 Ave
Denver, CO 80206

BJJ Partners
1129 Pennsylvania St
Denver, CO 80203

Barrett D Baker
1499 Blake St, Ste 7K
Denver, CO 80202

Bay Minerals LLC Nexus Resources Inc
1129 Pennsylvania St
Denver, CO 80203-2502

Shannon Brown Beavers
1804 Westshore Ct
Irving, TX 75060

Blair A Bracken
PO Box 30
Silt, CO 81652

Lisa Le Bracken
PO Box 30
Silt, CO 81652

Carole L Brown
PO Box 1192
Glenwood Springs, CO 81602

Estate of Stephen J Brown
c/o Chris Mahre & Associates
1525 Poplar Dr
Grand Junction, CO 81505

Virginia Brown
Dunfee Cain
2830 N Ave, Ste C282
Grand Junction, CO 81501

Emma Eicher
PO Box 30
Silt, CO 81652

Mark A Huttner & Cathlyn J Huttner
21427 E Ottawa Cir
Aurora, CO 80016

Juniper Group LLC
411 Franklin St
PO Box 310
Clayton, NY 13624

Left Hand Resources
PO Box 3498
Boulder, CO 80307-3498

Laura Luke
2830 N Ave, Ste C5B 155
Grand Junction, CO 81501

MAP2003-NET an Oklahoma General Partnership
c/o MAP Royalty, Inc.
PO Box 268947
Oklahoma City, OK 73126

Magic M & R LLC
C/O Colo St Bank A/CJHS#1 LLC
1720 S Bellaire St, Ste 1209
Denver, CO 80222

Mimonte LLC
PO Box 3358
Englewood, CO 80155

Kristine M Peterson
5951 Middlefield Rd, Ste 205
Littleton, CO 80123-7917

Marshall Quiat Trust
c/o Nicolette Rounds, Trtee3
773 Cherry Crk N Dr 575
Denver, CO 80209

Steven R Thompson & Patricia Kay Thompson
INDV & as Trtees of the S&PPO
Box 737
Silt, CO 81652

Judith H. Jordan
Garfield County
375 County Road 352, Bldg 2060
Rifle, CO 81650-8412

Colorado Division of Wildlife
Kim Kaal
6060 Broadway
Denver CO 80216

Colorado Department of Public Health and Environment
Attn: Ken Kuster
4300 CHERRY CREEK DRIVE SOUTH
DENVER, CO 80246-1530

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AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

Jamie L. Jost, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Encana Oil & Gas (USA) Inc., that on or before April __, 2010, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.

Jamie L. Jost

Subscribed and sworn to before me April __, 2010.

Witness my hand and official seal.

My commission expires: _____.

Notary Public