

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)	
ENCANA OIL & GAS (USA) INC. FOR AN)	
ORDER MODIFYING THE NORTH)	Cause No. 510
PARACHUTE RANCH UNIT FOR THE)	
WILLIAMS FORK FORMATION OF THE)	Docket No. _____
MESAVERDE GROUP FOR CERTAIN)	
DESCRIBED LANDS IN THE GRAND)	
VALLEY FIELD, GARFIELD COUNTY,)	
COLORADO)	

APPLICATION TO MODIFY UNIT

EnCana Oil & Gas (USA) Inc. ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to Modify the North Parachute Ranch Unit to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") by contracting the acreage within the North Parachute Ranch Unit ("Unit"). The Unit was established for the purpose of drilling and producing wells from the Williams Fork Formation of the Mesaverde Group on the below-described lands in the Grand Valley Field, Garfield County, Colorado. In support of its petition, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is also a registered operator in good standing with the COGCC.
2. Applicant is the designated operator of the North Parachute Ranch Unit and a majority owner of the mineral and surface estate contained therein.
3. On August 18, 2009, this Commission issued Orders 479-20 and 510-49, which, among other things established the North Parachute Ranch Unit.
4. The Order created a unit for the purpose of drilling and producing wells from the Williams Fork Formation of the Mesaverde Group on the lands identified by the following legal descriptions:

Township 5 South, Range 95 West

Section 15: S/2, S/2N/2

Section 16: S/2, that portion of the SW/4NW/4, S/2NE/4, and NE/4NE/4 lying south of the southernmost Mahogany Marker as it existed on September 14, 1970

Section 17: S/2S/2, that portion of the N/2SE/4 lying south of the southernmost Mahogany Marker as it existed on September 14, 1970

Section 19: Lots 1, 2, 5, 6, 7, 12, E/2 (560 acres)

Section 20: All

Section 21: All

Section 22: All

Section 27: All

Section 28: All
Section 29: All
Section 30: Lots 1, 7, NE/4, SE/4SE/4
Section 31: Lots 1, 6, 7, 8, 11, 12, E/2
Section 32: All
Section 33: All
Section 34: All

Township 6 South, Range 96 West

Section 1: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
Section 2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, S/2
Section 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, E/2SW/4, SE/4
Section 4: Lots 3, 4, 6, 7, 8, 9, 13, 14, and that portion of Lots 1, 5 and the S/2NW/4 lying easterly of the center of Parachute Creek as located on April 18, 1966 and more fully described by metes and bounds in deed recorded in Book 377 at Page 111 of the Garfield County records.
Section 9: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 14, 15, SW/4NW/4
Section 10: Lots 1, 2, 3, 4, E/2W/2, NE/4, SE/4
Section 15: W/2E/2, SW/4
Section 16: SE/4
Section 21: Lots 6, 7, E/2NW/4, NE/4, N/2SE/4
Section 22: Lots 1, 2, N/2, N/2SW/4

Total acreage 13,100

Garfield County, Colorado.

(hereafter the "Application Lands" – lands affected by this application are shown in boldface type).

5. Applicant requests an order contracting the Unit to the following legal description:

Township 5 South, Range 95 West

Section 19: Lots 1, 2, 5, 6, 7, 12, E/2 (560 acres)
Section 20: S/2, S/2N/2
Section 21: S/2, S/2N/2
Section 22: S/2, S/2N/2
Section 27: All
Section 28: All
Section 29: All
Section 30: Lots 1, 7, NE/4, SE/4SE/4
Section 31: Lots 1, 6, 7, 8, 11, 12, E/2
Section 32: All
Section 33: All
Section 34: All

Township 6 South, Range 96 West

Section 1: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
Section 2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, S/2

Section 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, E/2SW/4, SE/4
Section 4: Lots 3, 4, 6, 7, 8, 9, 13, 14, and that portion of Lots 1, 5 and the S/2NW/4 lying easterly of the center of Parachute Creek as located on April 18, 1966 and more fully described by metes and bounds in deed recorded in Book 377 at Page 111 of the Garfield County records.
Section 9: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 14, 15, SW/4NW/4
Section 10: Lots 1, 2, 3, 4, E/2W/2, NE/4, SE/4
Section 15: W/2E/2, SW/4
Section 16: SE/4
Section 21: Lots 6, 7, E/2NW/4, NE/4, N/2SE/4
Section 22: Lots 1, 2, N/2, N/2SW/4

Total acreage 11,510

Garfield County, Colorado.

6. Applicant requests an order contracting the unit for the following reasons:
 - a. After reviewing the title to certain lands, Applicant has identified certain payment interests in the lands proposed to be excluded that create uncertainty as to the obligations, if any, of the operator and other participating parties in the Unit to said payment interest owners.
 - b. These payment interests were originally created pursuant to a stock transaction and were not recorded in the real property records of Garfield County at such time.
 - c. The current viability of these payment interests cannot be clearly determined. Nor is it clear whether any parties participating in the Unit operations have an obligation with respect to said payment interests.
 - d. The resulting uncertainty clouds the obligations of Applicant in conducting Unit operations, creates a possible burden on the interests of the other participants in the Unit, and may result in waste by impairing operations on the Unit.

7. The parties to the Unit Agreement as modified for the reduced acreage have or will have signed the Unit Agreement applicable hereto by the time this matter comes before the Commission for hearing.

8. A map depicting the new acreage is attached as Exhibit A showing the outline of the proposed contracted unit boundaries and the acreage being excluded from the unit.

9. The Interested Party list is attached as Exhibit B hereto.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law, and that upon such hearing, this Commission find that modifying the Unit by contracting its acreage will prevent waste and protect correlative rights, and enter its order:

A. Contracting the size of the North Parachute Ranch Unit to reflect the acreage described in paragraph 5 above, and shown on Exhibit A.

B. For such other findings and orders as the Commission deems appropriate to prevent waste and protect correlative rights.

Dated this ____ day of April, 2010.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC.

By: _____

Andrew A. Bremner
Ken A. Wonstolen
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, CO 80202

VERIFICATION

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

Kirsten A. Orahoad, Group Lead, Land, North Piceance Team, of EnCana Oil & Gas (USA) Inc., upon oath deposes and says that she has read the foregoing Amendment to Application and that the statements contained therein are true to the best of her knowledge, information and belief.

ENCANA OIL & GAS (USA) INC.

By: _____
Kirsten A. Orahood

Subscribed and sworn to before me this ____ day of April, 2010, by Kirsten A. Orahoad of EnCana Oil & Gas (USA) Inc.

Witness my hand and official seal.

My commission expires:_____

Notary Public

[SEAL]

Exhibit B

Interested Parties
North Parachute Ranch State Unit

Patsy Branson
Berry Petroleum Company
1999 Broadway, Suite 3700
Denver, CO 80202

Chris Walsh
Williams Production RMT Company
1515 Arapahoe Street
Tower 3, Suite 1000
Denver, CO 80202

Jim Schaff
Petroleum Development Corporation
1775 Sherman Street, Suite 3000
Denver, CO 80203

DonJuan Brown
Chevron North America
Exploration and Production Company
11111 S. Wilcrest - N1052
Houston, TX 77099

Glen Murdock
ExxonMobil Production Company
PO Box 4610
Houston, TX 77210-4610

Peggy Gilbert
Marathon Oil Corporation
PO Box 3487
Houston, TX 77253-348

Mike Holland
Vantage Energy, LLC
116 Inverness Dr. E., Suite 107
Englewood, CO 80112

Ray Anderson
The Puckett Companies
5460 South Quebec Street, # 250
Greenwood Village, CO 80111

Hank Szymanski
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215

Schyler E. Cone
6279 N. Coolville Ridge Road
Athens, OH 45701

Robin Delp
1772 #202 Road
Oxford, KS 67119

Dana Porter Ivers
PO Box 1828
Telluride, CO 81435

Carol Eaton Preston
281 Mallory Heights Road
Grants Pass, OR 97526-8831

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

Kim Kaal
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

Kent Kuster
Colorado Department of
Public Health & Environment
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)	

Andrew A. Bremner of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for EnCana Oil & Gas (USA) Inc., that on or before April 15, 2010, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Andrew A. Bremner

Subscribed and sworn to before me April _____, 2010.

Witness my hand and official seal.

My commission expires: _____.

Notary Public