

FORM
2
Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, **Recomplete and Operate**

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
2096827
Plugging Bond Surety
20010124

3. Name of Operator: KERR-MCGEE OIL & GAS ONSHORE LP 4. COGCC Operator Number: 47120

5. Address: P O BOX 173779
City: DENVER State: CO Zip: 80217-3779

6. Contact Name: JULIA M. CARTER Phone: (720)876-5240 Fax: (720)876-6240
Email: JULIA.CARTER@ENCANA.COM

7. Well Name: HELLS HOLE Well Number: 1-13-2-104

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

9. Proposed Total Measured Depth: 7930

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 13 Twp: 2S Rng: 104W Meridian: 6
Latitude: 39.878077 Longitude: -109.022894

Footage at Surface: 1200 FNL/FSL FNL 1000 FEL/FWL FWL

11. Field Name: HELLS HOLE CANYON Field Number: 34175

12. Ground Elevation: 7180 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 12/18/2006 PDOP Reading: 3.1 Instrument Operator's Name: BEN JOHNSON

15. 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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 4878 ft

18. Distance to nearest property line: 1000 ft 19. Distance to nearest well permitted/completed in the same formation: 1675 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| MANCOS | MNCS | | | |

21. Mineral Ownership: Fee State Federal Indian Lease #: COC62567

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 Bon \$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):
T2S-R104W: SEC. 13 ALL

25. Distance to Nearest Mineral Lease Line: 1000 ft 26. Total Acres in Lease: 640

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite

Method: Land Farming Land Spreading Disposal Facility Other: RECYCLE & 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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 9+5/8 | 36 | 833 | 455 | 833 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 17 | 7,918 | 1,135 | 7,918 | 0 |

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

33. Comments API #05-103-09971. ENCANA INTENDS TO REMAIN WITHIN THE ORIGINAL AREA OF DISTURBANCE FOR THESE PROCEDURES.

34. Location ID: 335738

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: JULIA M. CARTER

Title: REGULATORY Date: 2/26/2010 Email: JULIA.CARTER@ENCANA.CO

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 | Permit Number: _____ | Expiration Date: _____ |
| 05 103 09971 00 | 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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|----------------------|--------------------|
| 2096827 | APD ORIGINAL | LF@2434116 2096827 |
| 2096828 | OIL & GAS LEASE | LF@2426621 2096828 |
| 2096829 | 30 DAY NOTICE LETTER | LF@2426622 2096829 |
| 400047489 | FORM 2 SUBMITTED | 400047489.pdf |

Total Attach: 4 Files