

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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| DE | ET | OE | ES |
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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:

400069884

Plugging Bond Surety

20100017

3. Name of Operator: ENCANA OIL & GAS (USA) INC 4. COGCC Operator Number: 1001855. Address: 370 17TH ST STE 1700City: DENVER State: CO Zip: 80202-56326. Contact Name: Julia Carter Phone: (720)876.5240 Fax: (720)876.6240Email: Julia.Carter@encana.com7. Well Name: N. Parachute Well Number: MF07A-16 H17 69

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

9. Proposed Total Measured Depth: 10108

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 17 Twp: 6S Rng: 96W Meridian: 6Latitude: 39.527464 Longitude: -108.123519
 Footage at Surface: 1529 FNL/FSL FNL 290 FEL/FWL FEL
11. Field Name: Grand Valley Field Number: 3129012. Ground Elevation: 5654 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 08/16/2007 PDOP Reading: 1.7 Instrument Operator's Name: Robert Kay15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 1439 FNL 2554 FWL 1439 FNL 2554 FWL
 Bottom Hole: FNL/FSL 1439 FNL 2554 FWL
 Sec: 16 Twp: 6S Rng: 96W Sec: 16 Twp: 6S Rng: 96W
16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 450 ft18. Distance to nearest property line: 290 ft 19. Distance to nearest well permitted/completed in the same formation: 182 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | 510-8 | | |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20090118

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):
Maps on file

25. Distance to Nearest Mineral Lease Line: 1740 ft 26. Total Acres in Lease: 25889

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 |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| CONDUCTOR | 26 | 16 | Line Pipe | 90 | 8 | 90 | |
| SURF | 13+1/2 | 9+5/8 | 36 | 1,500 | 287 | 1,500 | |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 10,108 | 609 | 10,108 | |

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

33. Comments This is a refile - API# 05-045-18706. This pad has been built, no pit will be used, there will be no additional surface disturbance, the location does not require any variance and it is not in a wildlife restricted surface occupancy area. Therefore, a Form 2A will not be submitted. Chevron USA owns surface, Encana minerals. Pursuant to Order 510-8 the following documents were filed with the COGCC when this well was first permitted: reclamation plan guideline, wellsite diagrams, interim and final reclamation figures and a reclamation schedule. Surface Owners Agreement is also on file at the COGCC. Please note cement will be run to surface for both conductor and surface casing. Surface casing hole size will be 13-1/2" and 12-1/4". Production casing hole size will be 7-7/8", 8-1/2" and 8-3/4" with cement set 200' above WMFK.

34. Location ID: 335825

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 Analyst Date: _____ Email: Julia.Carter@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

05 045 18706 01

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.