

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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Document Number:

400071862

Plugging Bond Surety

20100017

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 ☐

3. Name of Operator: ENCANA OIL & GAS (USA) INC

4. COGCC Operator Number: 100185

5. Address: 370 17TH ST STE 1700

City: DENVER State: CO Zip: 80202-5632

6. Contact Name: Julia Carter Phone: (720)876.5240 Fax: (720)876.6240

Email: Julia.Carter@encana.com

7. Well Name: SGU Well Number: 8515C-24 F25496

8. Unit Name (if appl): Big Jimmy Unit Unit Number: COC74105X

9. Proposed Total Measured Depth: 14423

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 25 Twp: 4S Rng: 96W Meridian: 6

Latitude: 39.674444 Longitude: -108.119431

 Footage at Surface: 2231 FNL/FSL 2000 FEL/FWL
 FNL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 8298 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 08/07/2009 PDOP Reading: 1.4 Instrument Operator's Name: Robert Kay

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
 403 FSL 1986 FEL 403 FSL 1986 FEL
 Sec: 24 Twp: 4S Rng: 96W Sec: 24 Twp: 4S Rng: 96W
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: 465 ft

18. Distance to nearest property line: 2000 ft 19. Distance to nearest well permitted/completed in the same formation: 339 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | | | |
| Williams Fork | WMFK | 510-13 | 10 | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC64814

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):

T4S, R96W, 6th PM, Sec 22: Lots 1-6, E2NE, NW, S2S2; Sec 23: Lot 1, 2, 4-8, NE, W2NW, S2SW, SWSE; Sec 24: Lot 1-4, S2N2, S2; Sec 26: NW; Sec 27: N2

25. Distance to Nearest Mineral Lease Line: 403 ft 26. Total Acres in Lease: 2425

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, Amend and 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 | 20 | Line Pipe | 120 | 176 | 120 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36 | 3,000 | 1,047 | 3,000 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 14,423 | 645 | 14,423 | 8,763 |

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

33. Comments Encana Oil & Gas (USA) Inc. owns surface. Please note cement will be run to surface for both conductor and surface casing. The surface casing hole size will be 14-3/4", 12-1/4" or 13-1/2". Production casing hole size will be both 7-7/8" and 8-3/4". Production cement top calculation 500' above TOG. Onsite was on 8/12/2009 with BLM and CDOW.

34. Location ID: 415182

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: _____

Permit Number: _____ Expiration Date: _____

API NUMBER

05

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 |
|-------------|------------------------|--|
| 400071970 | PLAT | SGU 8515C-24 F25 496.Plat.pdf |
| 400071971 | DEVIATED DRILLING PLAN | SGU 8515C-24 F25 496.Directiona Plan.pdf |
| 400071972 | MINERAL LEASE MAP | Big Jimmy Unit Mineral Ownership.pdf |
| 400071973 | TOPO MAP | SGU F25 496.Topo Maps.pdf |
| 400072934 | FED. DRILLING PERMIT | SGU 8515C-24 F25 496.Federal APD.pdf |

Total Attach: 5 Files