

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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Document Number:
2589565
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: NICK G. CURRAN Phone: (720)876-5288 Fax: (720)876-6288
Email: NICK.CURRAN@ENCANA.COM

7. Well Name: DEASON Well Number: 42-35

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

9. Proposed Total Measured Depth: 7999

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 35 Twp: 2N Rng: 69W Meridian: 6
Latitude: 40.101220 Longitude: -105.079640

Footage at Surface: 747 FNL/FSL FNL 1483 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5058 13. County: BOULDER

14. GPS Data:

Date of Measurement: 04/04/2010 PDOP Reading: 2.5 Instrument Operator's Name: CRAIG BURKE

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 2153 FNL 660 FEL 660 FEL 2153 FNL 660 FEL
Sec: 35 Twp: 2N Rng: 69W Sec: 35 Twp: 2N Rng: 69W

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: 548 ft

18. Distance to nearest property line: 91 ft 19. Distance to nearest well permitted/completed in the same formation: 1086 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.)
CODELL	CODL	407-87	160	NE4 SEC. 35 2N-69W
J SAND	JSND		160	NE4 SEC. 35 2N-69W
NIOBRARA	NBRR	407-87	160	NE4 SEC. 35 2N-69W

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#: _____

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):
 SEC. 36 NW4 SEC 35: N2NE4 (ALL THAT PART OF THE NORTHEAST QUARTER LYING NORTH AND EAST OF THE BOULDER AND WHITE ROCK RESERVOIR).

25. Distance to Nearest Mineral Lease Line: 510 ft 26. Total Acres in Lease: 240

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: _____

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	8+5/8	24	700	300	700	0
1ST	7+7/8	4+1/2	11.6	7,999	180	7,999	7,329

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

33. Comments NO CONDUCTOR CASING WILL BE USED. Encana Oil and Gas (USA) Inc. requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Encana Oil and Gas (USA) Inc. requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line.

34. Location ID: 336249

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: NICK G. CURRAN

Title: PERMITTING Date: 5/26/2010 Email: NICK.CURRAN@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: David S. Neslin Director of COGCC Date: 7/11/2010

API NUMBER 05 013 06640 00	Permit Number: _____	Expiration Date: <u>7/10/2012</u>
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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.

- 1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Shannon. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name	Doc Description
2589565	APD ORIGINAL	LF@2488555 2589565
2589566	WELL LOCATION PLAT	LF@2488556 2589566
2589567	TOPO MAP	LF@2488586 2589567
2589568	MINERAL LEASE MAP	LF@2488587 2589568
2589569	SURFACE AGRMT/SURETY	LF@2488557 2589569
2589570	30 DAY NOTICE LETTER	LF@2488558 2589570
2589571	DEVIATED DRILLING PLAN	LF@2488559 2589571
2589572	EXCEPTION LOC REQUEST	LF@2488560 2589572
2589584	EXCEPTION LOC WAIVERS	LF@2488562 2589584
2589586	EXCEPTION LOC WAIVERS	LF@2488561 2589586

Total Attach: 10 Files