

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:

400077540

Plugging Bond Surety

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: DeAnne Spector Phone: (720)876-5826 Fax: (720)876-6826

Email: deanne.spector@encana.com

7. Well Name: Keinath Federal Well Number: 10-10H (C16OU)

8. Unit Name (if appl): Orchard Unit Number: COC66496X

9. Proposed Total Measured Depth: 14750

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 16 Twp: 8S Rng: 96W Meridian: 6

Latitude: 39.355422 Longitude: -108.114500

 Footage at Surface: 548 FNL/FSL 2529 FEL/FWL
 FNL FWL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 5768 13. County: MESA

14. GPS Data:

Date of Measurement: 07/11/2006 PDOP Reading: 1.8 Instrument Operator's Name: L. Vance

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
 76 FNL 2211 FEL 2163 FSL 2012 FEL
 Sec: 16 Twp: 8S Rng: 96W Sec: 10 Twp: 8S 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: 2450 ft

18. Distance to nearest property line: 1208 ft 19. Distance to nearest well permitted/completed in the same formation: 606 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 | | | |
| Lower Mancos | MNCS | | | |
| Mancos A B | MNCAB | | | |
| Williams Fork | WMFK | | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC58674

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):
T8S, R96W: Sec 9: NE, S2NW, S2; Sec. 10: W2NW, SW, W2SE; Sec. 14: SWNW, NWSW, SENW; Sec 15: SENW, NESE, W2E2, W2; Sec. 16: All.

25. Distance to Nearest Mineral Lease Line: 2012 ft 26. Total Acres in Lease: 2200

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 |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| CONDUCTOR | 24+0/0 | 20+0/0 | .25" wall | 40 | 5 | 40 | 0 |
| SURF | 14+3/4 | 10+3/4 | 40.5 | 1,400 | 665 | 1,400 | 0 |
| 1ST | 9+7/8 | 7+5/8 | 29.7 | 7,800 | 1,081 | 7,800 | 0 |
| 2ND | 6+1/2 | 5+0/0 | 23.2 | 14,750 | 460 | 14,750 | 0 |

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

33. Comments Intermediate cement to 200>MSVD, Production TOC 500' inside intermediate casing. The C16OU is located in the Orchard GAP.

34. Location ID: 334416

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: DeAnne Spector

Title: Regulatory Analyst Date: 7/19/2010 Email: deanne.spector@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 |
|-------------|------------------------|-------------------------|
| 400077540 | FORM 2 SUBMITTED | 400077540.pdf |
| 400077609 | PLAT | Plat.pdf |
| 400077611 | LOCATION DRAWING | 400 ft rad.pdf |
| 400077613 | CONST. LAYOUT DRAWINGS | Construction Layout.pdf |
| 400077614 | ACCESS ROAD MAP | Access Topo.pdf |
| 400077617 | OTHER | Pipeline.pdf |
| 400077618 | MULTI-WELL PLAN | multi Well Plan.pdf |
| 400077620 | DEVIATED DRILLING PLAN | Directional.pdf |
| 400077621 | LOCATION PICTURES | Photos.pdf |
| 400077622 | SURFACE AGRMT/SURETY | SUA.pdf |
| 400077623 | 30 DAY NOTICE LETTER | 30 day ltr.pdf |
| 400078049 | TOPO MAP | TOPOs.pdf |

Total Attach: 12 Files