

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:
400071821
Plugging Bond Surety

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: 8503C-25 F25496

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

9. Proposed Total Measured Depth: 13873

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 25 Twp: 4S Rng: 96W Meridian: 6
Latitude: 39.674372 Longitude: -108.119572

Footage at Surface: 2256 FNL/FSL FNL 1960 FEL/FWL 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 763 FNL 1972 FWL 763 FNL 1972 FWL
Bottom Hole: FNL/FSL 763 FNL 1972 FWL
Sec: 25 Twp: 4S Rng: 96W Sec: 25 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: 417 ft

18. Distance to nearest property line: 1960 ft 19. Distance to nearest well permitted/completed in the same formation: 328 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 #: COC61136
 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, Section 25: ALL
 25. Distance to Nearest Mineral Lease Line: 763 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, 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 | 13,873 | 645 | 13,873 | 8,213 |

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. Plugging Bond ID removed w/permission of operator. SF 6/28/10

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: 6/25/2010 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: David S. Neslin Director of COGCC Date: 8/4/2010

API NUMBER
05 045 19770 00

Permit Number: _____ Expiration Date: 8/3/2012

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
- 2) GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE
- 3) CEMENT TOP VERIFICATION BY CBL REQUIRED.
- 4) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 400071821 | APD APPROVED | 400071821.pdf |
| 400071825 | PLAT | LF@2498227 400071825 |
| 400071826 | DEVIATED DRILLING PLAN | LF@2498228 400071826 |
| 400071827 | MINERAL LEASE MAP | LF@2498229 400071827 |
| 400071828 | TOPO MAP | LF@2498230 400071828 |
| 400072906 | FED. DRILLING PERMIT | LF@2498231 400072906 |
| 400082444 | FORM 2 SUBMITTED | LF@2498226 400082444 |

Total Attach: 7 Files

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