

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



|    |    |    |    |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

Document Number:  
400082738  
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: Kimball Mtn Well Number: DH02-6 B07 799

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 13317

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 7 Twp: 7S Rng: 99W Meridian: 6

Latitude: 39.467803 Longitude: -108.482083

Footage at Surface: 101 FNL/FSL FNL 1893 FEL/FWL FEL

11. Field Name: Gasaway Field Number: 29560

12. Ground Elevation: 6649 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 03/02/2010 PDOP Reading: 1.9 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 415 FSL 1583 FEL 1595 Bottom Hole: FNL/FSL 1 FNL 1595 FEL 1595  
 Sec: 6 Twp: 7S Rng: 99W Sec: 6 Twp: 7S Rng: 99W

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: 1368 ft

18. Distance to nearest property line: 1219 ft 19. Distance to nearest well permitted/completed in the same formation: 1400 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Mancos                 | MNCS           |                         |                               |                                      |

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):  
Please see attached maps

25. Distance to Nearest Mineral Lease Line: 3481 ft 26. Total Acres in Lease: 10279

### 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   | 30           | 20             | Line Pipe       | 120           | 319          | 120           | 0          |
| SURF        | 13+1/2       | 10+3/4         | 40.5            | 1,800         | 513          | 1,800         | 0          |
| 1ST         | 9+7/8        | 7+5/8          | 29.7            | 6,329         | 328          | 6,329         | 3,278      |
| 2ND         | 6+1/2        | 4+1/2          | 13.5            | 13,317        | 545          | 13,317        | 6,129      |

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

33. Comments This is a horizontal well, but it is our intention to first drill a vertical wellbore to 10,130' (permit TD on legal plat) to evaluate the reservoirs to that depth. From there we will cement back up hole to our kickoff point. Once cemented we will kickoff and build to horizontal (Land Pt on legal plat). We will continue to drill to the horizontal target at 13317' MD (Drill TD on legal plat). This lateral will be cased back to surface. Please note that Intermediate casing is listed as 'first string' and Production casing is listed as 'second string'. The distance on #17 is calculated from Kimball Creek Rd.

34. Location ID: 383216

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: 8/6/2010 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. Nashin Director of COGCC Date: 10/5/2010

Permit Number: \_\_\_\_\_ Expiration Date: 10/4/2012

**API NUMBER**

05 045 20007 01

**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) INTERMEDIATE CASING 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      |
|-------------|------------------------|----------------------|
| 400082738   | FORM 2 SUBMITTED       | LF@2519997 400082738 |
| 400082767   | PLAT                   | LF@2519998 400082767 |
| 400082769   | DEVIATED DRILLING PLAN | LF@2519999 400082769 |
| 400082770   | TOPO MAP               | LF@2520000 400082770 |
| 400082773   | LEASE MAP              | LF@2520001 400082773 |
| 400082774   | OTHER                  | LF@2520002 400082774 |

Total Attach: 6 Files

**General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>   | <b><u>Comment Date</u></b> |
|--------------------------|---|----------------------------|
| Permit                   | Received clarification on survey plat and verified data. Ready to process BY 9/17/10  | 9/17/2010<br>9:35:51 AM    |
| Permit                   | WO on information from operator. Discrepancies between surveyor's lat/long numbers and their spotting on plat for the APD'. There appears to be intermittent stream within 120' (east) of the locations. Need to have a Form 2 submitted for the pilot vertical borehole. | 9/10/2010<br>12:38:27 PM   |

Total: 2 comment(s)

Error: Subreport could not be shown.