

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 ☐

Refilling ☐
Sidetrack ☒

Document Number:

400082738

Plugging Bond Surety

20100017

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 1 FEL/FWL 1595 FEL
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 Bond ☐ \$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. Neslin 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

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received clarification on survey plat and verified data. Ready to process BY 9/17/10	9/17/2010 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 12:38:27 PM

Total: 2 comment(s)

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