

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

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:

2584371

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: JEVIN CROTEAU Phone: (720)876-5339 Fax: (720)876-6339
Email: JEVIN.CROTEAU@ENCANA.COM

7. Well Name: RAY NELSON Well Number: 8-4-32

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

9. Proposed Total Measured Depth: 8384

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 32 Twp: 2N Rng: 68W Meridian: 6
Latitude: 40.091970 Longitude: -105.021880

Footage at Surface: 1558 FNL/FSL FSL 1167 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4964 13. County: WELD

14. GPS Data:

Date of Measurement: 06/15/2010 PDOP Reading: 1.6 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 2590 FSL 50 FEL FEL Bottom Hole: FNL/FSL 2590 FSL 50 FEL FEL
Sec: 32 Twp: 2N Rng: 68W Sec: 32 Twp: 2N Rng: 68W

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: 897 ft

18. Distance to nearest property line: 181 ft 19. Distance to nearest well permitted/completed in the same formation: 965 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	160	GWA
J SAND	JSND	232-23	160	GWA
NIOBRARA	NBRR	407	160	GWA

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#: 20090011

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):
A TRACT OF LAND LOCATED IN N2SE OF SEC 32, T2N, R68W.

25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 35

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	800	350	800	
1ST	7+7/8	4+1/2	11.6	8,384	280	8,384	7,304

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

33. Comments NO CONDUCTOR CASING WILL BE USED. Proposed GWA Unit Configuration for NB-CD & JSND: Sec 32: SENE, NESE & Sec 33: NWSW, SWNW ; Encana Oil & Gas (USA) Inc. requests approval of a Rule 318Ac exception location: Wellhead is to be located more than 50' from an existing well location.

34. Location ID: 319034

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: JEVIN CROTEAU

Title: REGULATORY ANALYST Date: 9/30/2010 Email: JEVIN.CROTEAU@INCANA.C

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: 10/27/2010

API NUMBER

05 123 32429 00

Permit Number: _____ Expiration Date: 10/26/2012

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) 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 Sussex. 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
2584371	APD ORIGINAL	LF@2597550 2584371
2584372	WELL LOCATION PLAT	LF@2597551 2584372
2584373	TOPO MAP	LF@2597552 2584373
2584374	MINERAL LEASE MAP	LF@2597553 2584374
2584375	30 DAY NOTICE LETTER	LF@2597554 2584375
2584376	DEVIATED DRILLING PLAN	LF@2597555 2584376
2584377	EXCEPTION LOC REQUEST	LF@2597556 2584377
2622005	PROPOSED SPACING UNIT	LF@2602229 2622005

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per Jevin Croteau, Encana is seeking approval of an exception location to Rule 318Ac, the location of wellheads will be greater than 50' from the existing well "Nelson E Unit #2". The location of the existing well is a property line exception and so would be any well twinning the existing well. The location was further chosen to gain an appropriate distance from surface waters. Encana has thus far been unable to obtain surface owner consent to the twinning exception. Encana is seeking administrative approval of the exception location as provided by Rule 318A.c.(2) citing topographical/surface constraints which make the un-twinning location more appropriate for safety and protection of the environment. PVG	10/15/2010 8:41:40 AM
Permit	A twinning waiver was not attached and no SUA has been submitted.	10/8/2010 9:09:34 AM

Total: 2 comment(s)

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