

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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Document Number:

400094855

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 ☒

Refilling ☐

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: MIRACLE PFISTER Phone: (720)876-3761 Fax: (720)876-4861
Email: miracle.pfister@encana.com

7. Well Name: KEINATH FEDERAL Well Number: 9-12H (C10OU)

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

9. Proposed Total Measured Depth: 14900

WELL LOCATION INFORMATION

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

Latitude: 39.368849 Longitude: -108.099242

Footage at Surface: 957 feet FNL/FSL FNL 1545 feet FEL/FWL FWL

11. Field Name: GRAND VALLEY Field Number: 31290

12. Ground Elevation: 5568 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 03/30/2010 PDOP Reading: 2.0 Instrument Operator's Name: C.D. SLAUGH

15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 640 FNL 673 FWL 2392 FSL 343 FWL
Sec: 10 Twp: 8S Rng: 96W Sec: 9 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: 3170 ft

18. Distance to nearest property line: 237 ft 19. Distance to nearest well permitted/completed in the same formation: 240 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.)
NIOBRARA	NBRR			

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 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):
 8S-96W SEC 9: NE, S2NW, S2 SEC 10: W2NW, SW, W2SE SEC 14: SWNW, NWSW, SESW SEC 15: W2E2, SENE, S2, NESE, SEC 16: ALL

25. Distance to Nearest Mineral Lease Line: 343 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	Wt/Ft	Csg/Line Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	20	LINEPIPE		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		7,871	1,095	7,871	0
2ND	6+1/2	5	23.2		14,900	465	14,900	0

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

33. Comments THE NEAREST DISTANCE IS TO A BUILDING AND ABOVE GROUND UTILITY. TOP OF INTERMEDIATE CASING WILL BE 200 FT ABOVE THE MSVD. TOP OF THE PRODUCTION CASING WILL BE 500 FT INSIDE THE INTERMEDIATE CASING.

34. Location ID: 334093

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: MIRACLE PFISTER

Title: REGULATORY ANALYST Date: 9/24/2010 Email: miracle.pfister@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: 11/26/2010

API NUMBER

05 045 20211 00

Permit Number: _____ Expiration Date: 11/25/2012

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.

surface in GarCo, BHL in Mesa County -- so well API is Mesa County (just an observation/question/)

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) CEMENT-TOP VERIFICATION BY CBL REQUIRED.

(3) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(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 DEDICATED* WATER WELL WITHIN 1-MILE IS 294 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400094855	APD APPROVED
400094862	FED. DRILLING PERMIT
400094863	30 DAY NOTICE LETTER
400094865	SURFACE AGRMT/SURETY
400094868	DEVIATED DRILLING PLAN
400095688	PLAT
400111814	FORM 2 SUBMITTED

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	WO COA'S	11/18/2010 6:17:01 AM
Permit	EMAILED MIRACLE TO ASK HER TO VERIFY THE NUMBER OF WELLS ON THIS PAD (17 STATED IN 2A) BUT WITH EXISTING AND ONE PROPOSED IT SHOULD SHOW 19 AS PER PRESENT COGCC DATA BASE Hello! I looked at this and talked to our Geologist and Dev group on their plans for the Satterfield 10-3D and we will not be using this APD and I will submit a abandon location sundry in the next few days. There should actually be 18 wells listed on Section 111 #1 after we abandon this one because there are 7 existing listed on the detailed multi well plan and 11 new. Sorry for the confusion.Thanks, Miracle Pfister	11/9/2010 9:33:05 AM
Permit	RECEIVED EMAIL FROM JASON OATES TO REMOVE THE ILES, MANCOS & WILLIAMS FORK FROM THE OBJECTIVE FORMATIONS 11/9/10	11/9/2010 9:29:52 AM
Permit	HORIZONTAL WELL BUT HAS MULTIPLE OBJECTIVES, NEED TO EMAIL MIRACLE. BY	11/1/2010 7:02:35 AM
Permit	WO CLARIFICATION OF BOREHOLE OF HORIZONTAL AS TO THE PROXIMITY TO THE UNCOMMITTED TRACT IN THE 9-12H & 9-12H2. VOICE FROM MIRACLE STATING SHE WILL CALL ON MONDAY 10/25/10 BY	10/25/2010 9:25:06 AM
Permit	QUESTION ON THE DISTANCE FROM HORIZONTAL BOREHOLE TO THE UNCOMMITTED TRACT 1/22/10 BY VOICE MESSAGE AND EMAIL TO MIRACLE ASKING FOR CLARICIATION AND DISTANCES 10/22/10	10/22/2010 9:44:17 AM
Permit	Plat turned.	9/30/2010 9:42:27 AM
Permit	Back to draft for plat to be orientated to portrait and answer to Question 35	9/27/2010 2:19:19 PM

Total: 8 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)