

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

CONFIDENTIAL		5. Lease Serial No. COC58674
1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		6. If Indian, Allottee or Tribe Name
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No. ORCHARD UNIT
2. Name of Operator ENCANA OIL & GAS (USA) INC		8. Lease Name and Well No. ORCHARD UNIT 15-12H2 (D14OU)
Contact: MIRACLE PFISTER E-Mail: miracle.pfister@encana.com		9. API Well No.
3a. Address 370 17TH STREET, STE 400 DENVER, CO 80233	3b. Phone No. (include area code) Ph: 720-876-3761 Fx: 720-876-4861	10. Field and Pool, or Exploratory GRAND VALLEY
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW 590FNL 405FWL 39.35570 N Lat, 108.08420 W Lon At proposed prod. zone NWSW 1580FSL 680FWL		11. Sec., T., R., M., or Blk. and Survey or Area Sec 14 T8S R96W Mer 6PM
14. Distance in miles and direction from nearest town or post office* ~13 MILES FROM THE TOWN OF DEBEQUE		12. County or Parish MESA COUNTY
		13. State CO
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 590'	16. No. of Acres in Lease 2200.00	17. Spacing Unit dedicated to this well
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. ~400'	19. Proposed Depth 14275 MD 8576 TVD	20. BLM/BIA Bond No. on file COB000235
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5963 GL	22. Approximate date work will start 03/01/2010	23. Estimated duration 6 MONTHS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| <ol style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ol style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
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25. Signature (Electronic Submission)	Name (Printed/Typed) MIRACLE PFISTER Ph: 720-876-3761	Date 01/06/2011
Title REGULATORY ANALYST		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

**Electronic Submission #100177 verified by the BLM Well Information System
For ENCANA OIL & GAS (USA) INC, sent to the Glenwood Springs**

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional Operator Remarks:

THE D140U WAS REFERENCED AS AN EXISTING PAD IN THE ORCHARD MDP (EA DOI-BLM-CO-140-2008-0032).

BLM BOND COBOOO235/NATIONWIDE OIL & GAS BOND SURETY I.D. NO RLB0004733
SURFACE OWNERSHIP - FEE/MINERAL OWNERSHIP - FEDERAL

SURFACE OWNER:
FIVE R VENTURES, LTD
455 35 ROAD
PALISADE, CO 81526

ATTACHMETNS:
10-PT DRILLING PLANS
DIRECTIONAL SURVEY
SURFACE USE PLAN
SURVEY & PLAT
SURFACE USE AGREEMENT
ONE-MILE RADIUS MAP

GIS DATA WILL BE E-MAILED DIRECTLY TO FAITH GALL.