

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

Refiling
Sidetrack

Document Number:
400119142
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: JENNIFER LIND Phone: (720)876-5890 Fax: (720)876-6890
Email: JENNIFER.LIND@ENCANA.COM

7. Well Name: KUGEL Well Number: 1-18

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

9. Proposed Total Measured Depth: 8020

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 18 Twp: 2N Rng: 67W Meridian: 6
Latitude: 40.142142 Longitude: -104.937652

Footage at Surface: 1315 feet FNL/FSL FNL 1173 feet FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4929 13. County: WELD

14. GPS Data:

Date of Measurement: 05/11/1990 PDOP Reading: 1.5 Instrument Operator's Name: HOLLOWAY

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

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 1076 ft

18. Distance to nearest property line: 1173 ft 19. Distance to nearest well permitted/completed in the same formation: 835 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	407-87	160	NW4
NIOBRARA	NBRR	407-87	160	NW4

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):
T1N-R66W-SEC. 4: SENE

25. Distance to Nearest Mineral Lease Line: 490 ft 26. Total Acres in Lease: 970

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/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24		349	175	349	0
1ST	7+7/8	4+1/2	11.6		8,020	350	8,020	6,510

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

33. Comments Recompletion of the Kugel 1-18. This Form 2 does not require a Form 2A as the location meets all of the following five criteria: 1. The pad is existing 2. There will be no pits constructed as Encana will be using a closed loop system. 3. There will be no expansion or additional area of disturbance of this pad. 4. This location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii). 5. This location does not fall within a wildlife restricted surface occupancy area. Please note that a hard copy of the Form 4 for this location has been mailed to the Commission. The Kugel 1-18 is currently governed by that certain Operating Agreement ("OA") dated May 7, 1990, covering the N/2 of Section 18, T2N-R67W, Weld County, Colorado, as to the J Sandstone formation only. The Parties shall amend the OA to cover depths from the top of the Niobrara formation to the base of the J Sandstone formation and designate Encana as the Operator of the Well and Foundation as a Non-Operator of the Well.

34. Location ID: 336441

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: JENNIFER LIND

Title: REGULATORY ANALYST Date: 12/28/2010 Email: JENNIFER.LIND@ENCANA.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: 1/20/2011

Permit Number: _____ Expiration Date: 1/19/2013

API NUMBER

05 123 14611 00

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.

Prior to recompleting, operator must: 1) Verify existing cement above the Niobrara and across the Fox Hills Aquifer with a cement bond log. 2) If it is not present as follows, provide remedial cement 200' above Niobrara (minimum cement top of 6990'), 200' below Shannon to 200' above Sussex (minimum coverage 4240' to 5040'), and 600' into the surface casing shoe. Verify remedial cement coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
400119142	FORM 2 SUBMITTED
400119161	WELLBORE DIAGRAM

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)