

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 Vertical pilot
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
400119613
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: Heather Mitchell Phone: (720)876-3070 Fax: (720)876-4070
Email: heather.mitchell@encana.com

7. Well Name: N. Parachute Well Number: DH10A-21 H17696

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

9. Proposed Total Measured Depth: 14000

WELL LOCATION INFORMATION

10. QtrQtr: 7 Sec: 17 Twp: 6S Rng: 96W Meridian: 6
Latitude: 39.527611 Longitude: -108.123456

Footage at Surface: 1476 feet FNL/FSL FNL 286 feet FEL/FWL FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 5654 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 09/01/2010 PDOP Reading: 2.8 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 _____ 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: 200 ft

18. Distance to nearest property line: 286 ft 19. Distance to nearest well permitted/completed in the same formation: 14026 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 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):
Please see attached lease maps

25. Distance to Nearest Mineral Lease Line: 1080 26. Total Acres in Lease: 25889

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 and 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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	30	20	Linepipe	0	120	319	120	0
SURF	14+3/4	10+3/4	45.5#	0	4,300	1,268	4,300	0
2ND	9+7/8	7+5/8	29.7#		10,450	714	10,450	3,800

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

33. Comments This permit is for the vertical wellbore to 14000 TVD to evaluate the reservoirs to that depth. From there we will cement back up hole to our kickoff point. Once cemented we will kickoff to build the horizontal. We will continue to drill the horizontal target at 18735' MD. The distance on #17 is calculated from the nearest above ground utility. Chevron owns the surface, Encana owns the minerals. Conductor and surface cement will be run to surface.

34. Location ID: 335825

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: Heather Mitchell

Title: Regulatory Analyst Date: 12/29/2010 Email: heather.mitchell@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: 2/4/2011

API NUMBER 05 045 20398 00	Permit Number: _____	Expiration Date: <u>2/3/2013</u>
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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) 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 WATER WELL WITHIN 1-MILE IS 074 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400119613	FORM 2 SUBMITTED
400119615	TOPO MAP
400119627	OTHER
400119628	LEASE MAP
400119629	PLAT
400119630	DEVIATED DRILLING PLAN
400120006	SURFACE AGRMT/SURETY

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date
Permit	Hey Bill: I did some digging into this and this line is decommissioned! Heather Mitchell emailed 1/31/11	2/4/2011 8:11:46 AM
Permit	Chevron owns the Surface and Encana owns the minerals. #17 is calculated to the nearest utility.=STATEMENT FROM COMMENTS SECTION. EXTRAPILATION FROM CONSTRUCTION LAYOUT DRAWINGS SUGGESTS THE OVERHEAD ELECTRIC IS ONLY 185' FROM WELLHEAD THEREFORE RIG HEIGHT RESTRICTION WOULD BE IN EFFECT. MAXIMUM RIG HEIGHT WOULD BE 123'	1/21/2011 7:05:55 AM
Engineer	sent casing questions to H Mitchell 1/13/11.	1/13/2011 2:05:13 PM

Total: 3 comment(s)

BMP

Type	Comment

Total: 0 comment(s)