

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:
400117124
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: DH14A-4 H17 696

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

9. Proposed Total Measured Depth: 19486

WELL LOCATION INFORMATION

10. QtrQtr: 7 Sec: 17 Twp: 6S Rng: 96W Meridian: 6
Latitude: 39.527617 Longitude: -108.123483

Footage at Surface: 1473 feet ^{FNL/FSL} FNL 294 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} 994 FNL 663 FWL ^{FEL/FWL} 215 FSL 2507 FWL
Sec: 16 Twp: 6S Rng: 96W Sec: 4 Twp: 6S 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: 200 ft

18. Distance to nearest property line: 294 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: 1200 ft 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	Line Pipe	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#	0	10,400	709	10,400	3,800
3RD	6+1/2	5+1/2	23#		19,486	726	19,486	9,900

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

33. Comments Chevron owns the Surface and Encana owns the minerals. #17 is calculated to the nearest utility. Conductor and Surface casing will be run to surface. Production casing will be a tapered string. The size will be both 5 1/2" and 4 1/2" Casing.

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: 12/28/2010 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. Nesline Director of COGCC Date: 2/4/2011

API NUMBER: **05 045 20399 00** Permit Number: _____ Expiration Date: 2/3/2013

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
2592234	SURFACE AGRMT/SURETY
400117124	FORM 2 SUBMITTED
400119353	PLAT
400119354	DEVIATED DRILLING PLAN
400119355	TOPO MAP
400119356	OTHER
400119357	LEASE MAP

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 Regulatory Analyst emailed 1/31/11	2/1/2011 8:03:07 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 177' FROM WELLHEAD THEREFORE RIG HEIGHT RESTRICTION WOULD BE IN EFFECT. MAXIMUM RIG HEIGHT WOULD BE 118'	1/21/2011 6:50:58 AM

Total: 2 comment(s)

BMP

Type	Comment

Total: 0 comment(s)