


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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
DE	ET	OE	ES				
APPLICATION FOR PERMIT TO:			Document Number: <div style="text-align: center;">400140553</div> Plugging Bond Surety <div style="text-align: center;">20100017</div>				
1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> COMMINGLE ZONE <input checked="" type="checkbox"/>		Refiling <input checked="" type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>ENCANA OIL & GAS (USA) INC</u>		4. COGCC Operator Number: <u>100185</u>					
5. Address: <u>370 17TH ST STE 1700</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202-5632</u>							
6. Contact Name: <u>Nick Curran</u> Phone: <u>(720)876-5288</u> Fax: <u>(720)876-6288</u> Email: <u>nick.curran@encana.com</u>							
7. Well Name: <u>CANNON</u>		Well Number: <u>22-17</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>7989</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SENW</u> Sec: <u>17</u> Twp: <u>2N</u> Rng: <u>66W</u> Meridian: <u>6</u> Latitude: <u>40.139920</u> Longitude: <u>-104.803750</u>							
Footage at Surface: <u>1980</u> feet FNL/FSL <u>FNL</u> <u>1905</u> feet FEL/FWL <u>FWL</u>							
11. Field Name: <u>WATTENBERG</u>		Field Number: <u>90750</u>					
12. Ground Elevation: <u>4869</u>		13. County: <u>WELD</u>					
14. GPS Data: Date of Measurement: <u>11/03/2010</u> PDOP Reading: <u>1.4</u> Instrument Operator's Name: <u>CRAIG BURKE</u>							
15. If well is <input type="checkbox"/> Directional <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>178 ft</u>							
18. Distance to nearest property line: <u>147 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>940 ft</u>							
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			
J SAND	JSND	232-23	320	N2			
NIORARA	NBRR	407-87	160	NW4			

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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):
2N 66W SEC 17; NW/4

25. Distance to Nearest Mineral Lease Line: _____ 660 ft _____ 26. Total Acres in Lease: _____ 160 _____

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

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	0	780	284	780	0
1ST	7+7/8	4+1/2	11.6	0	7,972	170	7,972	6,917
			Stage Tool		4,767	83	4,767	4,167

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

33. Comments NO CONDUCTOR CASING WILL BE USED. THE RIG HEIGHT WILL BE 65' PER NC.

34. Location ID: 309908

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: NICK CURRAN

Title: PERMITTING AGENT Date: 3/9/2011 Email: NICK.CURRAN@ENCANA.CO

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: 3/31/2011

API NUMBER

05 123 25568 00

Permit Number: _____ Expiration Date: 3/30/2013

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) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
400140553	FORM 2 SUBMITTED
400140618	WELL LOCATION PLAT
400140621	TOPO MAP
400140622	LEASE MAP
400140623	30 DAY NOTICE LETTER
400140624	SURFACE AGRMT/SURETY

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Removed bottom hole info. Added comment "THE RIG HEIGHT WILL BE 65' PER NC." plg.	3/14/2011 10:50:19 AM
Permit	Requesting rig height. Well head less than 200' from utility line. Changed Distance to property line to 147' & distance to nearest Building, public road, railroad or above ground utility to 179' per well plat. Removed bottom hole info. plg.	3/14/2011 10:24:22 AM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)