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| 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: 400141257 Plugging Bond Surety 20100017 | | | | |
| 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 checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/> | | Refiling <input 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>Heather Mitchell</u> Phone: <u>(720)876-3070</u> Fax: <u>(720)876-4070</u> Email: <u>heather.mitchell@encana.com</u> | | | | | | | |
| 7. Well Name: <u>N. Parachute EMF</u> Well Number: <u>16D-17 F17 595</u> | | | | | | | |
| 8. Unit Name (if appl): _____ Unit Number: _____ | | | | | | | |
| 9. Proposed Total Measured Depth: <u>12378</u> | | | | | | | |
| WELL LOCATION INFORMATION | | | | | | | |
| 10. QtrQtr: <u>SENW</u> Sec: <u>17</u> Twp: <u>5S</u> Rng: <u>95W</u> Meridian: <u>6</u> Latitude: <u>39.615139</u> Longitude: <u>-108.078939</u> | | | | | | | |
| Footage at Surface: <u>2167</u> feet FNL/FSL <u>FNL</u> 2388 feet FEL/FWL <u>FWL</u> | | | | | | | |
| 11. Field Name: <u>Grand Valley</u> Field Number: <u>31290</u> | | | | | | | |
| 12. Ground Elevation: <u>6319</u> 13. County: <u>GARFIELD</u> | | | | | | | |
| 14. GPS Data: Date of Measurement: <u>09/21/2010</u> PDOP Reading: <u>3.6</u> Instrument Operator's Name: <u>Robert Kay</u> | | | | | | | |
| 15. If well is <input checked="" 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 <u>38</u> <u>FSL</u> <u>193</u> <u>FEL</u> <u>38</u> <u>FSL</u> <u>193</u> <u>FEL</u> Sec: <u>17</u> Twp: <u>5S</u> Rng: <u>95W</u> Sec: <u>17</u> Twp: <u>5S</u> Rng: <u>95W</u> | | | | | | | |
| 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>265 ft</u> | | | | | | | |
| 18. Distance to nearest property line: <u>1641 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>258 ft</u> | | | | | | | |
| 20. LEASE, SPACING AND POOLING INFORMATION | | | | | | | |
| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | | | | |
| Williams Fork | WMFK | 510-13 | Unit Configuration (N/2, SE/4, etc.) | | | | |

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):
Please see attached lease maps

25. Distance to Nearest Mineral Lease Line: 2149 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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☐ Offsite ☒ Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

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 | 26 | 16 | Line pipe | 0 | 120 | 117 | 120 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36# | 0 | 1,700 | 370 | 1,700 | 0 |
| 2ND | 7+7/8 | 4+1/2 | 11.6# | 0 | 12,378 | 592 | 12,378 | |

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

33. Comments Exxon owns surface and Encana owns the minerals. # 17 is calculated from the nearest public road. Conductor and surface casing will be run to surface. The size of the production hole is both 8-3/4" and 7-7/8". Production casing is set 200' above the WMFK.

34. Location ID: 421011

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: 3/10/2011 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: 4/6/2011

API NUMBER

05 045 20596 00

Permit Number: _____ Expiration Date: 4/5/2013

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 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 00 FEET DEEP.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400141257 | FORM 2 SUBMITTED |
| 400141258 | TOPO MAP |
| 400141269 | SURFACE AGRMT/SURETY |
| 400141270 | LEASE MAP |
| 400141271 | OTHER |
| 400141272 | DEVIATED DRILLING PLAN |
| 400141273 | PLAT |

Total Attach: 7 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)