

<b>FORM</b> <b>2</b> Rev 12/05	State of Colorado <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		DE ET OE ES
---	---	---	----------------------

**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:  
 400148099  
 Plugging Bond Surety

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: Julia Carter      Phone: (720)876.5240      Fax: (720)876.6240  
 Email: Julia.Carter@encana.com

7. Well Name: SG      Well Number: 8508E-21 N22496

8. Unit Name (if appl): Story Gulch      Unit Number: COC69333X

9. Proposed Total Measured Depth: 13355

**WELL LOCATION INFORMATION**

10. QtrQtr: SESW      Sec: 22      Twp: 4S      Rng: 96W      Meridian: 6  
 Latitude: 39.684028      Longitude: -108.157117

Footage at Surface:      1264      feet      FSL      1977      feet      FWL  
FNL/FSL      FEL/FWL

11. Field Name: Wildcat      Field Number: 99999

12. Ground Elevation: 7585      13. County: GARFIELD

14. GPS Data:  
 Date of Measurement: 08/03/2010      PDOP Reading: 3.0      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  
2564      FNL      1310      FEL      2564      FNL      1310      FEL  
 Sec: 21      Twp: 4S      Rng: 96W      Sec: 21      Twp: 4S      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: 13212 ft

18. Distance to nearest property line: 197 ft      19. Distance to nearest well permitted/completed in the same formation: 261 ft

**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.)
Iles	ILES			
Williams Fork	WMFK			

**IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.**

21. Mineral Ownership:  Fee  State  Federal  Indian Lease #: COC64815  
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):  
T4S-R96W, 6th PM, Sec 16, 17 & 18: ALL; Sec 21: N2, SW, W2SE, SESE  
25. Distance to Nearest Mineral Lease Line: 78 ft 26. Total Acres in Lease: 2434

**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 & 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	20	Line Pipe	0	120		120	0
SURF	14+3/4	9+5/8	36#	0	2,000	626	2,000	0
1ST	7+7/8	4+1/2	11.6#	0	13,355	1,293	13,355	

32. BOP Equipment Type:  Annular Preventer  Double Ram  Rotating Head  None  
33. Comments Encana Oil & Gas (USA) Inc owns surface. Please note cement will be run to surface for both conductor and surface casing. The surface casing hole size will be 14-3/4", 12-1/4" or 13-1/2". Production casing hole size will be both 7-7/8" and 8-3/4". Production casing cement top will be 500' above top of gas. Distance on #17 taken from the nearest building. Onsite was on 10/13/10 with the BLM.

34. Location ID: \_\_\_\_\_  
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: Julia M. Carter  
Title: Regulatory Analyst Date: 3/29/2011 Email: Julia.Carter@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: 5/6/2011  
Permit Number: \_\_\_\_\_ Expiration Date: 5/5/2013

**API NUMBER**

05 045 20644 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.

- (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) RESERVE PIT MUST BE LINED.
- (4) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.
- (5) 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.
- (6) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.
- (7) 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
400148099	FORM 2 SUBMITTED
400148100	PLAT
400148101	FED. DRILLING PERMIT
400148102	DEVIATED DRILLING PLAN
400148103	TOPO MAP
400148104	OTHER
400148105	LEASE MAP

Total Attach: 7 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Changed distance to mineral lease line to 78' w/consent Carter/EnCana. dhs	3/30/2011 1:38:16 PM

Total: 1 comment(s)

**BMP**

Type

Comment

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

Total: 0 comment(s)