

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



| | | | |
|-----------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 400205810 | | | |
| PluggingBond SuretyID 20100017 | | | |

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒

Refilling ☐
Sidetrack ☐

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: JENNIFER LIND Phone: (720)876-5890 Fax: (720)876-6890
Email: JENNIFER.LIND@ENCANA.COM
7. Well Name: MELBON RANCH Well Number: 2-4-17
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 8010

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 17 Twp: 2N Rng: 65W Meridian: 6
Latitude: 40.135640 Longitude: -104.692930

Footage at Surface: 1542 feet FNL/FSL FSL 1243 feet FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750
12. Ground Elevation: 4940 13. County: WELD

14. GPS Data:

Date of Measurement: 08/20/2011 PDOP Reading: 1.4 Instrument Operator's Name: BURKE

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 2590 FSL 1450 FEL/FWL FWL Bottom Hole: FNL/FSL 2590 FSL 1450 FEL/FWL FWL
Sec: 17 Twp: 2N Rng: 65W Sec: 17 Twp: 2N Rng: 65W

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: 1524 ft

18. Distance to nearest property line: 1110 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1350 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | 407 | 160 | GWA |
| J SAND | JSND | 232 | 160 | GWA |
| NIOBRARA | NBRR | 407 | 160 | GWA |

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 Bond ☐ \$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):
T2N-R65W-SEC.17: N/2NE, S/2

25. Distance to Nearest Mineral Lease Line: 54 ft 26. Total Acres in Lease: 400

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: _____

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 | 850 | 255 | 850 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 8,010 | 169 | 8,010 | 6,958 |
| | | | Stage Tool | | 4,931 | 83 | 4,931 | 4,331 |

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

33. Comments NO CONDUCTOR CASING WILL BE UTILIZED. ENCANA REQUESTS THE APPROVAL OF THE OMISSION OF OPEN HOLE LOGS ON THIS WELL. REQUEST LETTER ATTACHED.

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: JENNIFER LIND

Title: REGULATORY ANALYST Date: _____ Email: JENNIFER.LIND@ENCANA.

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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400207560 | WELL LOCATION PLAT |
| 400207607 | DEVIATED DRILLING PLAN |
| 400207612 | OTHER |
| 400207616 | PROPOSED SPACING UNIT |
| 400207617 | 30 DAY NOTICE LETTER |
| 400207624 | MINERAL LEASE MAP |
| 400207631 | TOPO MAP |

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)