

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):

8S-96W FEDERAL LEASE - SEC 9: NE, S2NW, S2 SEC 10: W2NW, SW, W2SE SEC 14: SWNW, NWSW, SESW SEC 15: W2E2, SENE, W2, NESE SEC 16: ALL 2200 ACRES FEE LEASE - SEC 14: NWNW SEC 15: NENE 80 ACRES

25. Distance to Nearest Mineral Lease Line: 534 ft 26. Total Acres in Lease: 2280

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 |
|-------------|--------------|----------------|----------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 24 | 20 | LINEPIPE | 0 | 40 | 40 | 40 | 0 |
| SURF | 14+3/4 | 10+3/4 | 40.5 | 0 | 1,515 | 720 | 1,515 | 0 |
| 1ST | 9+7/8 | 7+5/8 | 26.4 | 0 | 7,700 | 1,050 | 7,700 | 0 |
| 2ND | 6+3/4 | 5 | 23.2 | 0 | 14,817 | 555 | 14,817 | 7,200 |

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

33. Comments THE NEAREST DISTANCE IS TO An ABOVE GROUND UTILITY. INTEREMDIATE CASING TOP OF CEMENT WILL BE 200' ABOVE MESAVERDE. TOP OF PRODUCTION CEMENT WILL BE 500 FT INSIDE THE INTERMEDIATE CASING. MINERAL OWNERSHIP IS MOSTLY FEDERAL BUT THE BOTTOM HOLE LOCATION IS IN A FEE LEASE. BOTH LEASES ARE IN THE ORCHARD UNIT.

34. Location ID: 334148

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: MIRACLE PFISTER

Title: REGULATORY ANALYST Date: 8/26/2011 Email: miracle.pfister@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: 10/16/2011

API NUMBER

05 077 10182 00

Permit Number: _____ Expiration Date: 10/15/2013

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) 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.
- (3) 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.
- (4) 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.
- (5) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE SHALLOWEST-KNOWN PRODUCING HORIZON. VERIFY CEMENT WITH A CEMENT BOND LOG.
 •IF THE PRODUCTION LINER IS CEMENTED, VERIFY CEMENT WITH A CEMENT BOND LOG.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 2537544 | FED. DRILLING PERMIT |
| 400198831 | FORM 2 SUBMITTED |
| 400200347 | DEVIATED DRILLING PLAN |
| 400200348 | DRILLING PLAN |
| 400200349 | PLAT |
| 400200350 | 30 DAY NOTICE LETTER |
| 400200896 | SURFACE AGRMT/SURETY |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| Permit | LGD/Pub. comments waived. Final Comprehensive Review Status--Passed. | 10/11/2011 9:01:51 AM |
| Permit | rec'd fed. permit; oper. agreed to change dist. to nearest well to 540'. ready to approve in permitting when DOW comment exp. 10/9 and OGLA approves 2A. | 10/6/2011 2:19:17 PM |
| Permit | emailed oper. w/ req. to check nearest well footage. rec'd fed. permit. | 10/6/2011 8:49:49 AM |
| Permit | CHANGED DIST. TO NEAR. UTIL. TO 1004' TO MATCH 2A. REQ'D INFO FROM OPER. RE NEAREST WELL. REQ'D. FED. PERMIT. | 9/22/2011 3:04:54 PM |
| Permit | Returned to draft. Missing field number. Missing SUA attachment. Should be fee surface. Need plugging bond. | 8/29/2011 6:48:45 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|-----------------------|
| | |

Total: 0 comment(s)