

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: 400210971 | | | |
| PluggingBond SuretyID | | | |

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

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

Refiling ☐
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: Julia Carter Phone: (720)876.5240 Fax: (720)876.6240
Email: Julia.Carter@encana.com
7. Well Name: SG Well Number: 8512C-24 L24496
8. Unit Name (if appl): Story Gulch Unit Number: COC69333X
9. Proposed Total Measured Depth: 13036

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 24 Twp: 4S Rng: 96W Meridian: 6
Latitude: 39.684858 Longitude: -108.123386
Footage at Surface: 1568 feet FNL/FSL 873 feet FEL/FWL FWL
11. Field Name: Wildcat Field Number: 99999
12. Ground Elevation: 8180 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 08/18/2010 PDOP Reading: 1.9 Instrument Operator's Name: Greg Olsen

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

Footage at Top of Prod Zone: FNL/FSL 2286 FSL 669 FWL FWL Bottom Hole: FNL/FSL 2286 FSL 669 FWL FWL
Sec: 24 Twp: 4S Rng: 96W Sec: 24 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: 1035 ft
18. Distance to nearest property line: 3825 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 197 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | | | |
| Williams Fork | WMFK | | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC64814
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):

T4S, R96W, Sec 22: Lots 1-6, E2NE, NW, S2S2, Sec 23: Lots 1-2, 4-8, NE, W2NW, S2SW, SWSE, Sec 24: Lots 1-4, S2N2, S2, Sec 26: NW, Sec 27: N2

25. Distance to Nearest Mineral Lease Line: 2286 ft 26. Total Acres in Lease: 2425

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 | |
| SURF | 14+3/4 | 9+5/8 | 36# | 0 | 3,000 | 939 | 3,000 | |
| 1ST | 7+7/8 | 4+1/2 | 11.6# | 0 | 13,036 | 1,266 | 13,036 | |

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

33. Comments Encana Oil & Gas (USA) Inc. owns surface. Please note conductor and surface casing will be run to surface. Surface casing hole size will be 14-3/4", 12-1/4" or 13-1/2". Production casing hole size will be 7-7/8" and 8-3/4". Production casing will be cemented 200' above WMFK. Distance on #17 taken from the nearest public road.

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: _____ 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: _____ 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 |
|-------------|------------------------|
| 400210973 | WELL LOCATION PLAT |
| 400210975 | DEVIATED DRILLING PLAN |
| 400215819 | FED. DRILLING PERMIT |

Total Attach: 3 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)