

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



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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 ☐

Document Number:

400205810

PluggingBond SuretyID

20100017

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 1243 feet FEL/FWL
FSL 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 FSL FEL/FWL Bottom Hole: FNL/FSL FSL FEL/FWL
2590 1450 2590 1450
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
Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: _____

If 28, 29, or 30 are "Yes" a pit permit may be required.

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. PROPOSED SPACING UNIT IS S/2NW4 & N/2SW4.

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: 9/26/2011 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: David S. Neslin Director of COGCC Date: 10/20/2011

API NUMBER

05 123 34587 00

Permit Number: _____ Expiration Date: 10/19/2013

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) Provide 24 hour notice of MIRU to Jim Precup via e-mail at jim.precup@state.co.us.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with a cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from the end of production casing to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2481206	SURFACE CASING CHECK
400205810	FORM 2 SUBMITTED
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: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Encana is asking not to run open hole logs and there is very little well control. They appear to be running logs in the window wells but not on the infill wells.	9/28/2011 6:36:22 AM

Total: 1 comment(s)

BMP

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

Total: 0 comment(s)