

**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:  
400208681

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: Nick Curran Phone: (720)876-5288 Fax: (720)876-6288  
Email: nick.curran@encana.com

7. Well Name: PEPPLER FARMS Well Number: 6-0-4

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 8003

**WELL LOCATION INFORMATION**

10. QtrQtr: NWNE Sec: 4 Twp: 3N Rng: 68W Meridian: 6  
Latitude: 40.261820 Longitude: -105.006700

Footage at Surface: 229 feet FNL 2236 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5071 13. County: WELD

14. GPS Data:  
Date of Measurement: 08/31/2011 PDOP Reading: 1.6 Instrument Operator's Name: CRAIG BURKE

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 \_\_\_\_\_

50 FNL 1350 FEL 50 FNL 1350 FEL

Sec: 4 Twp: 3N Rng: 68W Sec: 4 Twp: 3N Rng: 68W

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: 207 ft

18. Distance to nearest property line: 229 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 721 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| 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):

NE4 SEC 4 3N68W

25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 160

### 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: CLOSE LOOP SYS WILL BE

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             | 700           | 255       | 700     | 0       |
| 1ST         | 7+7/8        | 4+1/2          | 11.6  | 0             | 8,003         | 168       | 8,003   | 6,959   |

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

33. Comments NO CONDUCTOR CASING WILL BE USED. Proposed 160 acre spacing unit: N2NE4 Sec. 4 T3N, R68W and S2SE4 Sec. 33 T4N, R68W.

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: NICK CURRAN

Title: PERMITTING AGENT Date: 10/3/2011 Email: NICK.CURRAN@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: 10/27/2011

#### API NUMBER

05 123 34616 00

Permit Number: \_\_\_\_\_ Expiration Date: 10/26/2013

#### 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.

Operator must meet water well testing requirements per Rule 318A.

- 1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD 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**

| <b>Att Doc Num</b> | <b>Name</b>            |
|--------------------|------------------------|
| 400208681          | FORM 2 SUBMITTED       |
| 400210755          | PROPOSED SPACING UNIT  |
| 400210757          | WELL LOCATION PLAT     |
| 400210758          | EXCEPTION LOC REQUEST  |
| 400210759          | EXCEPTION LOC WAIVERS  |
| 400210761          | TOPO MAP               |
| 400210762          | LEASE MAP              |
| 400210766          | 30 DAY NOTICE LETTER   |
| 400210767          | DEVIATED DRILLING PLAN |
| 400210771          | SURFACE AGRMT/SURETY   |

Total Attach: 10 Files

### **General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>   | <b><u>Comment Date</u></b> |
|--------------------------|---|----------------------------|
| Permit                   | No LGD or public comment received.  | 10/25/2011<br>11:36:49 AM  |
| Permit                   | Okay to pass pending public comment 10/24/11.   | 10/17/2011<br>3:17:04 PM   |
| Permit                   | Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached. | 10/17/2011<br>3:12:12 PM   |

Total: 3 comment(s)

### **BMP**

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

Total: 0 comment(s)