

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:
400208659
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: 41-4

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 8182

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 4 Twp: 3N Rng: 68W Meridian: 6
Latitude: 40.261820 Longitude: -105.006660

Footage at Surface: 229 feet FNL 2226 feet FEL
FNL/FSL FEL/FWL

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
660 FNL 660 FEL 660 FNL 660 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): 1351 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	NE4
J SAND	JSND	232	320	N2
NIOBRARA	NBRR	407	160	NE4

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: 660 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	
1ST	7+7/8	4+1/2	11.6	0	8,182	170	8,182	7,128

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

33. Comments NO CONDUCTOR CASING WILL BE USED.

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 34619 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.

- 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.

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

Attachment Check List

Att Doc Num	Name
1694505	EXCEPTION LOC REQUEST
1694506	EXCEPTION LOC WAIVERS
400208659	FORM 2 SUBMITTED
400210605	WELL LOCATION PLAT
400210606	TOPO MAP
400210610	LEASE MAP
400210615	SURFACE AGRMT/SURETY
400210616	30 DAY NOTICE LETTER
400210718	DEVIATED DRILLING PLAN

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received.	10/25/2011 11:24:20 AM
Permit	Okay to pass pending public comment 10/24/11.	10/17/2011 2:43:34 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 2:41:02 PM
Permit	Returned to draft. Missing #19 and deviated drilling plan attachment will not open.	10/3/2011 12:09:22 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)