

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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Document Number:

400208657

PluggingBond SuretyID

20100017

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

7. Well Name: PEPPLER FARMS Well Number: 31-4

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

9. Proposed Total Measured Depth: 7935

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 4 Twp: 3N Rng: 68W Meridian: 6  
 Latitude: 40.261820 Longitude: -105.006800

Footage at Surface: 228 feet FNL 2266 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: 660 FNL 1980 FEL Bottom Hole: 660 FNL 1980 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: 201 ft

18. Distance to nearest property line: 228 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1170 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	NE
J SNAD	JSND	232	320	N2
NIOBRARA	NBRR	407	160	NE

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 3N-68W

25. Distance to Nearest Mineral Lease Line: 160 ft 26. Total Acres in Lease: 660

### 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	7,935	164	7,935	6,916

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: 9/30/2011 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. Nashin Director of COGCC Date: 10/27/2011

#### API NUMBER

05 123 34621 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**

Att Doc Num	Name
1694503	EXCEPTION LOC REQUEST
1694504	EXCEPTION LOC WAIVERS
400208657	FORM 2 SUBMITTED
400210340	DEVIATED DRILLING PLAN
400210341	WELL LOCATION PLAT
400210342	TOPO MAP
400210345	30 DAY NOTICE LETTER
400210346	SURFACE AGRMT/SURETY

Total Attach: 8 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 10:56:29 AM
Permit	Okay to pass pending public comment 10/24/11.	10/17/2011 2:36:26 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 2:35:38 PM
Permit	ON HOLD: requesting exception location letter and waiver.	10/17/2011 1:45:15 PM
Permit	Returned to draft. Missing question #30 due to #29 being a yes.	10/3/2011 8:16:08 AM

Total: 5 comment(s)

### **BMP**

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

Total: 0 comment(s)