

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:
400209071

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: LIBERTY Well Number: 2A-21H

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

9. Proposed Total Measured Depth: 11555

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 21 Twp: 3N Rng: 68W Meridian: 6
Latitude: 40.216940 Longitude: -105.009710

Footage at Surface: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet
599 FNL 2120 FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5029 13. County: WELD

14. GPS Data:
Date of Measurement: 09/16/2011 PDOP Reading: 1.2 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

598 FNL 2073 FWL 460 FNL 2075 FEL

Sec: 21 Twp: 3N Rng: 68W Sec: 20 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: 522 ft

18. Distance to nearest property line: 519 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1400 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.)
NIOBRARA	NBRR	407	320	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):

T3N-R68W-SEC.20: NE/4; SEC.21: NW/4 (SINCE PRODUCTION WILL BE ESTABLISHED ON MORE THAN ONE LEASE, THE ACREAGES FOR THE LEASES HAVE BEEN ADDED TOGETHER FOR "TOTAL ACRES IN LEASE".)

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 320

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: _____

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	22	16	30	0	80	80	80	0
SURF	12+1/4	9+5/8	40	0	800	198	800	0
1ST	8+3/4	7	26	0	7,405	904	7,405	500
2ND	6+1/8	4+1/2	13.5	0	11,555			

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

33. Comments CONDUCTOR CASING WILL BE UTILIZED. ENCANA REQUESTS THE APPROVAL OF THE OMISSION OF OPEN HOLE LOGS FOR THIS WELL. REQUEST LETTER ATTACHED. IN ADDITION, ENCANA REQUESTS APPROVAL OF A RULE 318A.c. EXCEPTION LOCATION AS THE WELL HEAD WILL BE LOCATED FURTHER THAN 50' FROM THE PREVIOUSLY PROPOSED WELLS. WAIVER ATTACHED. Proposed Spacing Unit 320-acre spacing unit NW Section 21-3N-68W & NE Section 20-3N-68W.

34. Location ID: 424353

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: 10/17/2011 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. Nesline Director of COGCC Date: 11/13/2011

API NUMBER

05 123 34695 00

Permit Number: _____ Expiration Date: 11/12/2013

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 end of 7" casing 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.

1. At least seven (7) days prior to fracture stimulation, the operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated date stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.

2. The operator will monitor the bradenhead pressure of all wells operated by the operator within 300 feet of the well to be fracture stimulated.

3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved. Alternate electronic measurement may be used to record the prescribed pressures. Data shall be kept for a period of one year.

4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.

Attachment Check List

Att Doc Num	Name
400209071	FORM 2 SUBMITTED
400215455	WELL LOCATION PLAT
400215456	DEVIATED DRILLING PLAN
400215458	TOPO MAP
400215478	OTHER
400215479	30 DAY NOTICE LETTER
400215480	EXCEPTION LOC WAIVERS
400215481	EXCEPTION LOC REQUEST
400215553	PROPOSED SPACING UNIT
400215555	WASTE MANAGEMENT PLAN
400215556	MINERAL LEASE MAP

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	11/10/2011 11:03:30 AM
Permit	Okay to pass pending public comment 11/07/11.	10/20/2011 3:50:19 PM
Permit	Operator requests approval of a Rule 318Ac exception location: Wellhead is to be located more than 50' from an existing well location. Request and waiver attached.	10/20/2011 3:29:29 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)