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Document Number:
 400211151
 PluggingBond SuretyID

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: Julia Carter Phone: (720)876.5240 Fax: (720)876.6240
 Email: Julia.Carter@encana.com
 7. Well Name: SG Well Number: 8504G-24 L24496
 8. Unit Name (if appl): Story Gulch Unit Number: COC69333X
 9. Proposed Total Measured Depth: 13321

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 24 Twp: 4S Rng: 96W Meridian: 6
 Latitude: 39.685158 Longitude: -108.123122
 Footage at Surface: 1677 feet FNL/FSL FSL 947 feet FEL/FWL FWL
 11. Field Name: Grand Valley Field Number: 31290
 12. Ground Elevation: 8180 13. County: GARFIELD

14. GPS Data:
 Date of Measurement: 08/18/2010 PDOP Reading: 1.5 Instrument Operator's Name: Greg Olsen

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 1230 FNL 668 FWL FWL Bottom Hole: FNL/FSL 1230 FNL 668 FWL FWL
 Sec: 24 Twp: 4S Rng: 96W Sec: 24 Twp: 4S Rng: 96W

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: 1035 ft
 18. Distance to nearest property line: 3716 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 203 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.)
Iles	ILES			
Williams Fork	WMFK			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC64814
 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):
 T4S, R96W, Sec 22: Lots 1-6, E2NE, NW, S2S2, Sec 23: Lots 1-2, 4-8, NE, W2NW, S2SW, SWSE, Sec 24: Lots 1-4, S2N2, S2, Sec 26: NW, Sec 27: N2

25. Distance to Nearest Mineral Lease Line: 1230 ft 26. Total Acres in Lease: 2425

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: Recycle & Bury

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	26	20	Line Pipe	0	120		120	0
SURF	14+3/4	9+5/8	36#	0	3,000	939	3,000	0
1ST	7+7/8	4+1/2	11.6#	0	13,321	1,330	13,321	

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

33. Comments Encana Oil & Gas (USA) Inc. owns surface. Please note conductor and surface casing will be run to surface. Surface casing hole size will be 14-3/4", 12-1/4" or 13-1/2". Production casing hole size will be 7-7/8" and 8-3/4". Production casing will be cemented 200' above WMFK. Distance on #17 taken from the nearest public road.

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: Julia M. Carter

Title: Regulatory Analyst Date: 10/18/2011 Email: Julia.Carter@encana.com

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. Nash Director of COGCC Date: 11/15/2011

API NUMBER
05 045 21166 00

Permit Number: _____ Expiration Date: 11/14/2013

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.
- (2) GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE.
- (3) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.
- (4) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.
- (5) THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 -MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400211151	FORM 2 SUBMITTED
400211155	WELL LOCATION PLAT
400211156	DEVIATED DRILLING PLAN
400215874	FED. DRILLING PERMIT

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD/pub. comm. waived. Final comprehensive Review Status--passed.	11/15/2011 10:58:23 AM
Permit	checked commingled. corr. field name to Grand Valley, 31290. ready to approve in permitting.	10/28/2011 3:20:59 PM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)