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Document Number:
400232081

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: Jevin Croteau Phone: (720)876-5339 Fax: (720)876-6339
 Email: jevin.croteau@encana.com
 7. Well Name: Nichols Well Number: 19-9H (PL31SE)
 8. Unit Name (if appl): Plateau Creek Unit Number: COC-74774X
 9. Proposed Total Measured Depth: 18380

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 31 Twp: 9S Rng: 95W Meridian: 6
 Latitude: 39.228513 Longitude: -108.028210
 Footage at Surface: 1416 feet FNL/FSL 702 feet FEL/FWL FEL
 11. Field Name: Plateau Field Number: 69300
 12. Ground Elevation: 5918 13. County: MESA

14. GPS Data:
 Date of Measurement: 09/05/2007 PDOP Reading: 0.0 Instrument Operator's Name: Ted Taggart

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 1923 FSL 819 FEL 819 Bottom Hole: FNL/FSL 2313 FSL 961 FEL 961
 Sec: 31 Twp: 9S Rng: 95W Sec: 19 Twp: 9S Rng: 95W

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: 540 ft
 18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 800 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.)
Mancos	MNCS			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC-13192
 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):

This is a horizontal well with producing interval involving a combination of fee and federal mineral leasehold. See lease description attached which describes the BLM lease under this wellbore. The fee leases under the wellbore are detailed on the attached federal unit configuration map for the Plateau Creek Deep Unit."

25. Distance to Nearest Mineral Lease Line: 321 ft 26. Total Acres in Lease: 719

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	24	16	65	0	40	118	40	0
SURF	14+3/4	10+3/4	40.5	0	1,505	820	1,505	0
1ST	9+7/8	7+5/8	26.4	0	7,000	1,061	7,000	1,151
2ND	6+3/4	5	23.2	0	18,379	875	18,379	6,500

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

33. Comments _____

34. Location ID: 417612

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: Jevin Croteau

Title: Regulatory Analyst Date: 12/13/2011 Email: jevin.croteau@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. Neslin Director of COGCC Date: 1/6/2012

API NUMBER

05 077 10195 00

Permit Number: _____ Expiration Date: 1/5/2014

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) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE MANCOS. VERIFY CEMENT WITH A CEMENT BOND LOG.
- (3) IF THE PRODUCTION LINER IS CEMENTED, VERIFY CEMENT WITH A CEMENT BOND LOG.
- (4) 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.
- (5) 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.
- (6) 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
400232081	FORM 2 SUBMITTED
400232086	LEGAL/LEASE DESCRIPTION
400232087	UNIT CONFIGURATION MAP
400232088	30 DAY NOTICE LETTER
400232089	SURFACE AGRMT/SURETY
400232090	TOPO MAP
400232091	WELL LOCATION PLAT
400232092	DEVIATED DRILLING PLAN
400232093	FED. DRILLING PERMIT

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	changed SHL lat. to match attached well location plat. changed dist. to nearest prop. line to match 2A per oper.'s emailed instructions. changed language in mineral lease description to reflect complex mineral leasehold under horizontal wellbore per oper.'s emailed instructions. LGD/public comments waived. Final Comprehensive Review Status--passed.	1/5/2012 10:50:51 AM

Total: 1 comment(s)

BMP

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

Total: 0 comment(s)