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|-------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 400240865 | | | |
| PluggingBond SuretyID | | | |

APPLICATION FOR PERMIT TO:

1. **Drill,** Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER Injection

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: Heather Mitchell Phone: (720)876-3070 Fax: (720)876-4070
 Email: heather.mitchell@encana.com

7. Well Name: Orchard Unit Well Number: 21-7

8. Unit Name (if appl): Orchard Unit Unit Number: 66496X

9. Proposed Total Measured Depth: 3960

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 21 Twp: 8S Rng: 96W Meridian: 6
 Latitude: 39.337544 Longitude: -108.116942

Footage at Surface: 1706 feet FNL 1730 feet FWL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 6091 13. County: MESA

14. GPS Data:
 Date of Measurement: 10/20/2008 PDOP Reading: 1.9 Instrument Operator's Name: C.D. Slaugh

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL FNL/FSL Bottom Hole: FNL/FSL FNL/FSL
2612 FNL 1883 FWL 2612 FNL 1883 FWL
 Sec: 21 Twp: 8S Rng: 96W Sec: 21 Twp: 8S 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: 2630 ft

18. Distance to nearest property line: 3558 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 960 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | | | |

21. Mineral Ownership: Fee State Federal Indian Lease #: 64191

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):

T8S-R96W: Sec. 19: Lots 3,4, E2SW, SE; Sec. 20:N2, N2S2; Sec. 21: N2

25. Distance to Nearest Mineral Lease Line: 41 ft

26. Total Acres in Lease: 1090

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 | .25 | 0 | 40 | 5 | 40 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 1,000 | 540 | 1,000 | 0 |
| 2ND | 7+7/8 | 5+1/2 | 17 | 0 | 3,960 | 735 | 3,960 | |

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

33. Comments This well is on an existing pad that was approved in 2004 in the Orchard Gap. No expansion is required.

34. Location ID: 415597

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: Heather Mitchell

Title: Regulatory Analyst Date: _____ Email: heather.mitchell@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: _____ Director of COGCC Date: _____

API NUMBER

05 077 10076 00

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------|
| | |

Total Attach: 0 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)