

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:
400234821

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: Jevin Croteau Phone: (720)876-5339 Fax: (720)876-6339
Email: jevin.croteau@encana.com

7. Well Name: Federal Savage Well Number: 21-12A (PJ-21)

8. Unit Name (if appl): _____ Unit Number: COC-70834

9. Proposed Total Measured Depth: 8035

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 21 Twp: 7S Rng: 95W Meridian: 6
Latitude: 39.421538 Longitude: -108.000022

Footage at Surface: 2096 feet FSL 2069 feet FEL

11. Field Name: Parachute Field Number: 67350

12. Ground Elevation: 6297 13. County: GARFIELD

14. GPS Data:
Date of Measurement: 09/13/2005 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

2654 FSL 664 FWL 2654 FSL 664 FWL

Sec: 21 Twp: 7S Rng: 95W Sec: 21 Twp: 7S 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: 550 ft

18. Distance to nearest property line: 782 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 260 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	440-52		

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):
 E2SE & SWSE of Sec. 20; NWSW of Sec. 21, T7S, R95W, 6th P.M.

25. Distance to Nearest Mineral Lease Line: 54 ft 26. Total Acres in Lease: 160

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	200	587	200	0
SURF	12+1/4	9+5/8	36#	0	1,205	323	1,205	0
1ST	7+7/8	4+1/2	11.6#	0	8,035	662	8,035	4,574

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

33. Comments The BHL is located on a fee lease communitized with Federal minerals under Communitization Agreement, COC-70834.

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: Jevin Croteau

Title: Regulatory Analyst Date: 12/21/2011 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: 1/20/2012

API NUMBER
05 045 21289 00

Permit Number: _____ Expiration Date: 1/19/2014

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) GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE.
- (3) PERFORM A HIGH-ACCURACY GYROSCOPIC DIRECTIONAL WELLBORE SURVEY UPON REACHING TOTAL DEPTH OF THE WELL. E-MAIL A COPY OF THE SURVEY ALONG WITH A SUNDRY NOTICE, FORM 4, REQUESTING APPROVAL TO DAVID.ANDREWS@STATE.CO.US THE DIRECTIONAL DRILLING SURVEY REPORT SHALL INCLUDE A MAP VIEW AND A VERTICAL PROFILE VIEW SHOWING WELLBORE TRAJECTORY AND DISTANCE FROM THE ½-MILE RADIUS FROM PROJECT RULISON. THE OPERATOR SHALL OBTAIN APPROVAL FROM THE COGCC PRIOR TO COMMENCING CASING-PERFORATING AND OTHER COMPLETION OPERATIONS.
- (4) COMPLY WITH ALL DOE OFFICE OF LEGACY MANAGEMENT REQUESTS FOR SAMPLING AND ANALYSIS OF NATURAL GAS AND OTHER MATERIALS ASSOCIATED WITH DRILLING AND PRODUCTION.
- (5) SPUD NOTICE MUST IDENTIFY IF THE WELL IS LOCATED IN TIER I OR TIER II OF THE APPROVED RULISON SAMPLING AND ANALYSIS PLAN.
- (6) OPERATOR SHALL PROVIDE COMPLETE WELL-SPECIFIC EMERGENCY CONTACT INFORMATION TO THE COGCC AREA ENGINEER IN THE SPUD NOTICE PRIOR TO SPUDDING THE WELL.
- (7) PRODUCED WATER FROM THIS LOCATION MAY NOT BE TRANSPORTED TO OR RE-USED AT ANOTHER LOCATION WITHOUT SPECIFIC WRITTEN APPROVAL FROM COGCC AND ONLY AFTER ANALYSIS CONFIRMS COMPLIANCE WITH THE RULISON SAP.
- (8) DRILL SOLIDS AND CUTTINGS FROM THIS LOCATION MAY NOT BE TRANSPORTED TO, DISPOSED OF, OR RE-USED AT ANOTHER LOCATION WITHOUT SPECIFIC WRITTEN APPROVAL FROM COGCC AND ONLY AFTER ANALYSIS CONFIRMS COMPLIANCE WITH THE RULISON SAP.
- (9) A CLOSED-LOOP MUD SYSTEM SHALL BE UTILIZED TO ENSURE CONTAINMENT OF ALL MATERIALS THAT HAVE BEEN IN CONTACT WITH DOWNHOLE STRATA AND FLUIDS. ALL CUTTINGS AND FRESH MAKE-UP WATER STORAGE PITS SHALL BE LINED TO ENSURE CONTAINMENT. CONTOUR FEATURES, FRENCH DRAINS, AND OTHER STORMWATER BMPs AS NECESSARY SHALL BE EMPLOYED TO ENSURE SITE INTEGRITY.
- (10) NO INDIVIDUAL OPERATOR SHALL UTILIZE MORE THAN ONE RIG WITHIN ONE MILE OF THE PROJECT RULISON BLAST SITE AT ANY GIVEN TIME AND NO INDIVIDUAL OPERATOR SHALL UTILIZE MORE THAN TWO RIGS WITHIN A THREE MILE RADIUS OF THE SITE AT ANY GIVEN TIME. THE TOTAL NUMBER OF RIGS ALLOWED BY ALL OPERATORS WITHIN THREE MILES OF THE SITE SHALL BE LIMITED TO FIVE AT ANY GIVEN TIME.
- (11) OPERATOR SHALL COMPLY WITH ALL PROVISIONS OF THE MOST RECENT COGCC-APPROVED REVISION OF THE RULISON SAMPLING AND ANALYSIS PLAN. IN ADDITION TO THE PRODUCED-WATER SAMPLING AND ANALYSIS OUTLINED IN SECTION 5.8 OF THE PLAN, THE OPERATOR SHALL ALSO OBTAIN AND ANALYZE PRODUCED-WATER SAMPLES ON WELLS DESCRIBED IN THE PLAN FOR CONSTITUENTS LISTED IN THE PLAN USING THE SPECIFIC METHOD WHERE APPLICABLE.
- (12) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.
- (13) 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 200 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400234821	FORM 2 SUBMITTED
400234830	WELL LOCATION PLAT
400234831	DEVIATED DRILLING PLAN
400234834	FED. DRILLING PERMIT
400234836	LEASE MAP
400234837	TOPO MAP

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD/public comments waived. Final Comprehensive Review Status--passed.	1/18/2012 10:47:55 AM
Permit	Changed #22b to SUA as per operators email. This form has passed completeness.	12/27/2011 10:40:32 AM
Permit	Returned to draft. Surface and minerals information missing.	12/27/2011 10:26:59 AM
Permit	Returned to draft. Surface and minerals information missing.	12/27/2011 8:09:09 AM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)