

FORM
2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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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:

400239999

PluggingBond SuretyID

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 Well Number: 21-1C (PH-21)

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

9. Proposed Total Measured Depth: 7570

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 21 Twp: 7S Rng: 95W Meridian: 6
Latitude: 39.426017 Longitude: -107.995441

Footage at Surface: 1592 feet FNL 766 feet FEL

11. Field Name: Parachute Field Number: 67350

12. Ground Elevation: 6308 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 06/29/2005 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
1151 FNL 976 FEL 1151 FNL 976 FEL
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: 1100 ft

18. Distance to nearest property line: 1869 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 880 ft

20. 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 #: COC-01523

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):

Lease description attached.

25. Distance to Nearest Mineral Lease Line: 1509 ft

26. Total Acres in Lease: 2536

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	1,136	305	1,136	0
1ST	7+7/8	4+1/2	11.6	0	7,570	669	7,570	4,096

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

33. Comments BHL falls within the Tier II PRBA.

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: 1/13/2012 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. Nesline

Director of COGCC Date: 2/16/2012

API NUMBER

05 045 21331 00

Permit Number: _____ Expiration Date: 2/15/2014

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) COMPLY WITH ALL DOE OFFICE OF LEGACY MANAGEMENT REQUESTS FOR SAMPLING AND ANALYSIS OF NATURAL GAS AND OTHER MATERIALS ASSOCIATED WITH DRILLING AND PRODUCTION.

4) FLOWBACK TO TANKS ONLY. SUBMIT A SECONDARY AND TERTIARY CONTAINMENT PLAN VIA SUNDRY NOTICE FORM 4 FOR THE TANKS. SUBMIT VIA EMAIL TO RULISON.SUBMITTAL@STATE.CO.US OBTAIN APPROVAL OF THE PLAN PRIOR TO FLOWBACK.

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 INSPECTOR IN THE SPUD NOTICE PRIOR TO SPUDGING 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 OPERATORS SHALL ALSO OBTAIN AND ANALYZE PRODUCED WATER SAMPLES ON WELLS DESCRIBED IN THE PLAN FOR CONSTITUENTS LISTED IN THE PLAN USING THE SPECIFIED METHOD WHERE APPLICABLE.

12) THE PROPOSED 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 316 FEET DEEP.

Comply with all DOE Office of Legacy Management requests for sampling and analysis of natural gas and other materials associated with drilling and production.

Attachment Check List

Att Doc Num	Name
2537810	CORRESPONDENCE
400239999	FORM 2 SUBMITTED
400240027	WELL LOCATION PLAT
400240028	DEVIATED DRILLING PLAN
400240034	FED. DRILLING PERMIT
400240035	LEGAL/LEASE DESCRIPTION
400240036	LEASE MAP
400240037	TOPO MAP
400240038	CORRESPONDENCE
400240403	DIRECTIONAL DATA
400240834	DIRECTIONAL DATA

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD passed;public comments waived. Final Comprehensive Review Status--passed .	2/14/2012 3:04:51 PM
Permit	BHL within Tier 2 of Project Rulison. DOE response attached. Operator letter of notification attached.	1/26/2012 11:11:44 AM
Permit	need to attach DOE response to BHL	1/20/2012 2:26:01 PM
LGD	Reviewed	1/17/2012 10:53:50 AM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)