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Document Number:
400243476

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: Erin Hochstetler Phone: (720)876-5827 Fax: ()
 Email: erin.hochstetler@encana.com
 7. Well Name: SG M27 496 Well Number: 8502A-34 M27496
 8. Unit Name (if appl): Story Gulch Uni Unit Number: COC69333X
 9. Proposed Total Measured Depth: 13088

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 27 Twp: 4S Rng: 96W Meridian: 6
 Latitude: 39.667514 Longitude: -108.160967
 Footage at Surface: 528 feet FNL/FSL 890 feet FEL/FWL
 11. Field Name: Grand Valley Field Number: 31290
 12. Ground Elevation: 8102.9 13. County: GARFIELD

14. GPS Data:
 Date of Measurement: 12/22/2011 PDOP Reading: 2.0 Instrument Operator's Name: Robert Kay

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 53 FNL 1463 FEL 53 FEL 1463
 Bottom Hole: FNL/FSL 53 FNL 1463 FEL 53 FEL 1463
 Sec: 34 Twp: 4S Rng: 96W Sec: 34 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: 4700 ft
 18. Distance to nearest property line: 2283 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 198 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 #: 61138
 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):

T3S-R96W-Sec. 34: NE/4 - COC 61138

25. Distance to Nearest Mineral Lease Line: 53 ft

26. Total Acres in Lease: 640

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 and 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	191	120	0
SURF	14+3/4	9+5/8	36	0	2,000	602	2,000	0
1ST	7+7/8	4+1/2	12	0	13,089	1,564	13,089	

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

33. Comments The answer to question 17 is in reference to the nearest road. 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.

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: Erin Hochstetler

Title: Permitting Technician Date: 2/2/2012 Email: erin.hochstetler@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: 2/29/2012

API NUMBER

05 045 21416 00

Permit Number: _____ Expiration Date: 2/27/2014

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.

THE PROPOSED SURFACE CASING SHOULD BE 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 DEDICATED* WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.

PRODUCTION CASING CEMENT TOP VERIFICATION BY CBL REQUIRED.

Attachment Check List

Att Doc Num	Name
2537874	UNIT CONFIGURATION MAP
2537875	UNIT CONFIGURATION MAP
400243476	FORM 2 SUBMITTED
400244065	WELL LOCATION PLAT
400244067	DEVIATED DRILLING PLAN
400244069	DIRECTIONAL DATA
400248355	FED. DRILLING PERMIT

Total Attach: 7 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.	2/29/2012 8:30:25 AM
Permit	removed plugging bond, removed spacing order, checked yes for LINE 22a, changed dist. to nearest rd. to 4700', attached unit map for Story Gulch and unit map for proposed Big Jimmy Unit	2/16/2012 1:42:41 PM
LGD	Passed	2/6/2012 1:51:23 PM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	<ul style="list-style-type: none">• Use solar panels as an alternative energy source for on-location production equipment, where appropriate, economically and technically feasible.• Use multiple gathering lines placed in a single trench to minimize disturbance and construction, where appropriate, economically and technically feasible.• Install trench plugs (sloped to allow wildlife or livestock to exit the trench should they enter) at known wildlife or livestock trails to allow safe crossing on long spans of open trench, where appropriate, economically and technically feasible.• Install pipeline crossings at right angles to the drainages, wetlands, and perennial water bodies, where appropriate, economically and technically feasible.• Maintain a minimum of five feet of soil cover between the pipeline and the lowest point of the drainage or water body channel.
Wildlife	<ul style="list-style-type: none">• Perform biological surveys (on-site) for each new development, using the most recent data sets for wildlife and aquatic resources.• Perform pre-disturbance surveys when the on-site inspection and commencement of disturbance occur in different field seasons using the most recent data sets for wildlife and aquatic resources.• Utilize the Encana Wildlife Resources Matrix to identify and document (where appropriate) potential impacts or concerns during the project planning phase for proposed drilling operations and construction of roads, pads and pipelines.• Prohibit Encana employees and contractors from carrying projectile weapons on Encana property, except during company organized events.• Prohibit pets on Encana property.• Strategically apply fugitive dust control measures, including enforcing established speed limits on Encana private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.• Use enclosed, locking garbage receptacles or implement a strict daily trash removal regime on each temporary or permanent work location.

Total: 2 comment(s)