

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



Document Number:

400252786

Date Received:

02/28/2012

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: Erin Hochstetler Phone: (720)876-5827 Fax: ()

Email: erin.hochstetler@encana.com

7. Well Name: IONE Well Number: 0-4-2

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 8358

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 2 Twp: 2N Rng: 66W Meridian: 6

Latitude: 40.170460 Longitude: -104.749050

Footage at Surface: 1472 feet FNL 1322 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5050 13. County: WELD

14. GPS Data:

Date of Measurement: 07/14/2010 PDOP Reading: 1.7 Instrument Operator's Name: CRAIG BURKE

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
2581 FNL 50 FWL 2581 FNL 50 FWL
Sec: 2 Twp: 2N Rng: 66W Sec: 2 Twp: 2N Rng: 66W

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: 1958 ft

18. Distance to nearest property line: 1160 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 573

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.)
CODELL	CODL	407	160	GWA
J SAND	JSND	232-23	160	GWA
NIOBRARA	NBRR	407	160	GWA

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):
ALL OF SEC. 2, S2 OF SEC. 4, NE OF SEC. 8 & E2 OF SEC. 10, T2N, R66W

25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 1680

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
Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: _____
If 28, 29, or 30 are "Yes" a pit permit may be required.

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
SURF	12+1/4	8+5/8	24	0	800	350	800	0
1ST	7+7/8	4+1/2	11.6	0	8,358	280	8,358	7,308

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

33. Comments PROPOSED SPACING UNIT. SEC3: SENE & NESE ; SEC2: SWNW & NWSW. NO CONDUCTOR CASING WILL BE UTILIZED. The wells have not yet been drilled (so the pad has not been constructed). Everything on the current form 2A is relevant, and will not change.

34. Location ID: 416456

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: 2/28/2012 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: 3/23/2012

API NUMBER
05 123 31463 00

Permit Number: _____ Expiration Date: 3/22/2014

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) Provide 48 hour notice of MIRU to Mike Hickey via e-mail at mike.hickey@state.co.us or via an electronic Form 42.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from the TD to surface. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Operator must meet Water Well Testing requirements as per amended Rule 318A.

Attachment Check List

Att Doc Num	Name
2481458	SURFACE CASING CHECK
400252786	FORM 2 SUBMITTED
400255051	PROPOSED SPACING UNIT
400255053	DEVIATED DRILLING PLAN
400255054	WELL LOCATION PLAT
400255055	MINERAL LEASE MAP
400255056	TOPO MAP
400255057	30 DAY NOTICE LETTER
400255058	SURFACE AGRMT/SURETY
400255060	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	3/20/2012 8:12:14 AM
Permit	Operator corrected location number. This form has passed completeness.	2/29/2012 6:57:24 AM
Permit	Returned to draft. Incorrect location number.	2/28/2012 2:12:32 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)