

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400277274

Date Received:

05/01/2012

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

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

Email: erin.hochstetler@encana.com

7. Well Name: N Parachute Well Number: UWF13C-04K04596

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

9. Proposed Total Measured Depth: 1300

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 4 Twp: 5S Rng: 96W Meridian: 6

Latitude: 39.643103 Longitude: -108.175125

Footage at Surface: 2292 feet FNL/FSL FSL 2370 feet FEL/FWL FWL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 8199.1 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 04/11/2012 PDOP Reading: 1.2 Instrument Operator's Name: Brian Baker

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

Footage at Top of Prod Zone: FNL/FSL 590 FSL 1331 FWL _____ Bottom Hole: FNL/FSL 590 FSL 1331 FWL _____
Sec: 4 Twp: 5S Rng: 96W Sec: 4 Twp: 5S 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: 3115 ft

18. Distance to nearest property line: 2980 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 264 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | | | |
| Williams Fork | WMFK | 510-13 | | |

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):

T5S-R96W-Sec. 4: All and other lands. See attached mineral lease map.

25. Distance to Nearest Mineral Lease Line: 4698 ft 26. Total Acres in Lease: 25889

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 | 176 | 120 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36 | 0 | 2,200 | 851 | 2,200 | 0 |
| 2ND | 8+3/4 | 4+1/2 | 12 | 0 | 13,000 | 859 | 13,000 | 0 |

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

33. Comments Production casing size of hole will be either 8 3/4 or 7 7/8 and the cement top will be 200' above WMFK. This well is not spaced in the lles but its closest producing well will be one of Encana's permits. We waive the required Rule 318 A. spacing requirement.

34. Location ID: 335690

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: 5/1/2012 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: _____

API NUMBER

05

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 |
|-------------|------------------------|
| 400277274 | FORM 2 SUBMITTED |
| 400278574 | WELL LOCATION PLAT |
| 400278575 | DEVIATED DRILLING PLAN |
| 400279053 | DIRECTIONAL DATA |
| 400279054 | MINERAL LEASE MAP |

Total Attach: 5 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> |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wildlife | <p>Perform biological surveys (on-site) for each new development, using the most recent data sets for wildlife and aquatic resources.</p> <ul style="list-style-type: none"> • 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. |
| 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. • Limit in-stream construction activity to 24-hours for water bodies less than ten feet wide and to 48-hours for water bodies greater than ten feet wide at locations where horizontal boring is not feasible, 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. |

Total: 2 comment(s)