

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:

400277265

Date Received:

05/01/2012

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: N Parachute Well Number: UWF10D-05K04596

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

9. Proposed Total Measured Depth: 13000

WELL LOCATION INFORMATION

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

Latitude: 39.643197 Longitude: -108.175200

Footage at Surface: 2326 feet FSL 2349 feet FWL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 8198.9 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
1643 FSL 1639 FEL 1643 FSL 1639 FEL
Sec: 5 Twp: 5S Rng: 96W Sec: 5 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: 2946 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 266 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 | 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. 5: All and other lands. See attached mineral lease map.

25. Distance to Nearest Mineral Lease Line: 3620 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 |
| 1ST | 8+3/4 | 4+1/2 | 12 | 0 | 13,000 | 736 | 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.

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

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 6/14/2012

API NUMBER

05 045 21521 00

Permit Number: _____ Expiration Date: 6/13/2014

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)THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400277265 | FORM 2 SUBMITTED |
| 400278545 | WELL LOCATION PLAT |
| 400278546 | DEVIATED DRILLING PLAN |
| 400279031 | MINERAL LEASE MAP |
| 400279032 | DIRECTIONAL DATA |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | No public or LGD comments. Final Review--passed. | 6/14/2012 7:58:04 AM |
| Permit | Per oper.'s email dropped ILES from obj. fm. tab and comment about waiving 318.a spacing. Oper. will space ILES at future date. Changed mutiple zone to "single". | 6/7/2012 11:43:28 AM |
| LGD | Passed DB | 5/14/2012 4:12:09 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.• 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. |
| 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. |

Total: 2 comment(s)