

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:

400311633

Date Received:

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: JENNIFER LIND Phone: (720)876-5980 Fax: (720)876-6890

Email: JENNIFER.LIND@ENCANA.COM

7. Well Name: IONE Well Number: 2G-2H

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

9. Proposed Total Measured Depth: 11943

WELL LOCATION INFORMATION

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

Latitude: 40.173110 Longitude: -104.748660

Footage at Surface: 510 feet FNL/FSL FNL 1430 feet FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5046 13. County: WELD

14. GPS Data:

Date of Measurement: 07/27/2012 PDOP Reading: 1.6 Instrument Operator's Name: RICE

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

Footage at Top of Prod Zone: FNL/FSL 585 FNL 2620 FWL 460 FSL 2525 FWL
Bottom Hole: FNL/FSL 460 FSL 2525 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: 1469 ft

18. Distance to nearest property line: 510 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 52 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | | 640 | 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):

T2N-R66W-SEC.2: ALL; SEC.4: S/2; SEC.8: NE/4, SW/4; SEC.10: E/2, NW/4

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 1760

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 | 22 | 16 | 30 | 0 | 80 | 80 | 80 | 0 |
| SURF | 12+1/4 | 9+5/8 | 40 | 0 | 884 | 218 | 884 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 7,723 | 946 | 7,723 | 584 |
| 2ND | 6+1/8 | 4+1/2 | 13.5 | 0 | 11,943 | 373 | 11,943 | 7,423 |

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

33. Comments ENCANA REQUESTS THE APPROVAL OF A RULE 318A(l).a.1 AND 318A(l).c.1 EXCEPTION LOCATION AS THE WELL HEAD WILL BE LOCATED OUTSIDE A GWA DRILLING WINDOW AND FURTHER THAN 50' FROM AN EXISTING WELL - REQUEST LETTER AND WAIVERS ATTACHED. ENCANA ALSO REQUESTS THE OMISSION OF OPEN HOLE LOGS - REQUEST LETTER ATTACHED. ENCANA ALSO REQUESTS THE APPROVAL OF A RULE 318A.m. EXCEPTION LOCATION AS THERE IS AN EXISTING WELL THAT FALLS WITHIN 150' OF THE PROPOSED LATERAL - REQUEST LETTER ATTACHED, NO WAIVER REQUIRED AS THE EXISTING WELL IS OPERATED BY ENCANA. PROPOSED SPACING UNIT IS T2N-R66W-SEC.2: ALL. ENCANA PLANS TO DRILL 13 HORIZONTAL WELLS SPACED ACROSS SECTION 2 AND BELIEVE THIS CONFIGURATION WILL EFFECTIVELY DRAIN THE 640 ACRE SPACING UNIT. ENCANA WILL COMPLY WITH COGCC POLICY FOR BRADENHEAD MONITORING DURING HYDRAULIC FRACTURING TREATMENTS IN THE GREATER WATTENBERG AREA DATED MAY 29, 2012.

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: JENNIFER LIND

Title: REGULATORY ANALYST Date: _____ Email: JENNIFER.LIND@ENCANA.

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 |
|-------------|------------------------|
| 400316552 | EXCEPTION LOC REQUEST |
| 400316553 | EXCEPTION LOC WAIVERS |
| 400316554 | 30 DAY NOTICE LETTER |
| 400316555 | TOPO MAP |
| 400316556 | OTHER |
| 400316558 | MINERAL LEASE MAP |
| 400316562 | EXCEPTION LOC REQUEST |
| 400316563 | PROPOSED SPACING UNIT |
| 400316564 | WELL LOCATION PLAT |
| 400316567 | DEVIATED DRILLING PLAN |
| 400316568 | DIRECTIONAL DATA |

Total Attach: 11 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> |
|--------------------|-----------------------|
| | |

Total: 0 comment(s)