

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:

400324044

Date Received:

09/13/2012

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

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: WF12D-19 I25596

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

9. Proposed Total Measured Depth: 11954

WELL LOCATION INFORMATION

10. QtrQtr: TRT 37 Sec: 25 Twp: 5S Rng: 96W Meridian: 6

Latitude: 39.584847 Longitude: -108.109450

Footage at Surface: 2164 feet FSL 237 feet FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 5824 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 11/08/2011 PDOP Reading: 1.9 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 _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
1417 FSL 533 FWL 1417 FSL 533 FWL
Sec: 19 Twp: 5S Rng: 95W Sec: 19 Twp: 5S Rng: 95W

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: 600 ft

18. Distance to nearest property line: 5374 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 510 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	510-62		
Williams Fork	WMFK	510-13		

21. Mineral Ownership: Fee State Federal Indian Lease #: COC44963

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):

BLM LEASE COC044963: T5S R96W - SEC 25 LOT 3 (4.78 S2NE), LOT 4 (40.03 NESE), LOT 5 (33.48 NWSE), LOT 6 (6.55 NWSE), LOT 7 (11.27 SESE), LOT 8 (28.77 SESE), SWNW, N2SW AND SEC 19-T5S-R95W: LOTS 3, 8, 9, 10, AND 11 AND OTHER LANDS.

25. Distance to Nearest Mineral Lease Line: 533 ft 26. Total Acres in Lease: 1133

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 & 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	16	line pipe	0	120	0	120	0
SURF	12+1/4	9+5/8	36	0	1,800	368	1,800	0
2ND	8+3/4	4+1/2	11.6	0	11,954	795	11,954	

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

33. Comments The production casing hole size will be either 8-3/4" or 7-7/8" and will be cemented to at least 200' above WMFK. Encana is the surface owner, therefore a surface owner's agreement is not needed.

34. Location ID: 335590

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: 9/13/2012 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: Matthew Lee Director of COGCC Date: 10/31/2012

API NUMBER

05 045 21760 00

Permit Number: _____ Expiration Date: 10/30/2014

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.

(3) THE PROPOSED SURFACE CASING IS 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 WATER WELL WITHIN 1-MILE IS 057 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400324044	FORM 2 SUBMITTED
400324050	WELL LOCATION PLAT
400324051	DEVIATED DRILLING PLAN
400324052	FED. DRILLING PERMIT
400324053	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Confirmed BHL complies with spacing. Added BHL to lease description. No LGD or public comments. Final Review--passed.	10/29/2012 8:06:22 AM
Permit	Removed plugging bond. Updated recently approved ILES spacing order.	10/18/2012 2:52:30 PM
LGD	Passed DB	9/19/2012 3:52:49 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)