

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:

400354445

Date Received:

12/13/2012

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: JO Farms Well Number: 0-4-17

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

9. Proposed Total Measured Depth: 7935

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 17 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.228360 Longitude: -105.035460

Footage at Surface: 1684 feet FNL 260 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5113 13. County: WELD

14. GPS Data:

Date of Measurement: 11/13/2012 PDOP Reading: 2.0 Instrument Operator's Name: John McGehee

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 _____
2572 FSL 80 FEL 2572 FSL 80 FEL
Sec: 18 Twp: 3N Rng: 68W Sec: 18 Twp: 3N Rng: 68W

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: 214 ft

18. Distance to nearest property line: 260 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 246 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 | | 160 | GWA |
| J SAND | JSND | | 160 | GWA |
| NIOBRARA | NBRR | | 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):

SE/4 Sec 18, 3N-68W

25. Distance to Nearest Mineral Lease Line: 80 ft 26. Total Acres in Lease: 160

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 8+5/8 | 24 | 0 | 450 | 180 | 450 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,935 | 180 | 7,935 | 6,828 |

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

33. Comments No conductor casing will be utilized. Encana requests the approval of a 318A(l).a.(1) exception location as the well head is to be located outside of a GWA drilling window. Request letter and waivers attached. Proposed spacing unit is SENE & NESE Sec 18, SWNW & NWSW Sec 17.

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: Erin Hochstetler

Title: Permitting Technician Date: 12/13/2012 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: 2/15/2013

API NUMBER
05 123 36801 00

Permit Number: _____ Expiration Date: 2/14/2015

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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 1695340 | EXCEPTION LOC REQUEST |
| 1695341 | EXCEPTION LOC WAIVERS |
| 1695342 | SURFACE AGRMT/SURETY |
| 1695357 | PROPOSED SPACING UNIT |
| 400354445 | FORM 2 SUBMITTED |
| 400357984 | 30 DAY NOTICE LETTER |
| 400357985 | DEVIATED DRILLING PLAN |
| 400357989 | LEASE MAP |
| 400357990 | TOPO MAP |
| 400357991 | WELL LOCATION PLAT |
| 400357992 | DIRECTIONAL DATA |

Total Attach: 11 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| Permit | Final Review Completed. No LGD or public comment received. | 2/11/2013 1:23:33 PM |
| Permit | ok to pass. | 1/11/2013 10:51:08 AM |
| Permit | ON HOLD: Requesting form 2A be submitted. Received and attached 30 Day Cert letter and Proposed Spacing unit Map. | 1/10/2013 10:56:39 AM |
| Permit | ON HOLD: Requesting form 2A be submitted and corrected description on 30 Day Cert letter and Proposed Spacing unit Map. Received and attached SUA, Exception Loc Request and waiver. Changed distance to nearest well from 3815' to 246' per operator. Added Proposed spacing unit is SENE & NESE Sec 18, SWNW & NWSW Sec 17 per operator. | 1/4/2013 9:44:18 AM |
| Permit | ON HOLD: Requesting form 2A be submitted. Requesting SUA, surface not on mineral lease. Requesting Proposed spacing unit map & 30 Day Certification letter and change of distance to nearest well from 3815' to 246'. | 12/31/2012 2:28:05 PM |
| Permit | This form passed completeness. | 12/13/2012 10:29:17 PM |

Total: 6 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|-----------------------|
| | |

Total: 0 comment(s)