

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:

400373544

Date Received:

01/23/2013

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) INC4. COGCC Operator Number: 1001855. Address: 370 17TH ST STE 1700City: DENVER State: CO Zip: 80202-56326. Contact Name: JENNIFER LIND Phone: (720)876-5890 Fax: (720)876-6890Email: JENNIFER.LIND@ENCANA.COM7. Well Name: N. PARACHUTE EMF Well Number: 12A-16 H17 595

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

9. Proposed Total Measured Depth: 11220

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 17 Twp: 5S Rng: 95W Meridian: 6Latitude: 39.616756 Longitude: -108.070483

Footage at Surface: 1575 feet FNL/FSL 502 feet FEL/FWL FEL

11. Field Name: GRAND VALLEY Field Number: 3129012. Ground Elevation: 6444 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 09/21/2010 PDOP Reading: 3.6 Instrument Operator's Name: ROBERT KAY15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 2359 FSL 466 FWL 2359 FSL 466 FWL
 Bottom Hole: FNL/FSL 2359 FSL 466 FWL
 Sec: 16 Twp: 5S Rng: 95W Sec: 16 Twp: 5S Rng: 95W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 10050 ft18. Distance to nearest property line: 1437 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 413 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 ☐ Indian23. 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 ☒ No23b. 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):

PLEASE SEE ATTACHED MAP

25. Distance to Nearest Mineral Lease Line: 201 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	16	LINE PIPE	0	120	117	120	0
SURF	12+1/4	9+5/8	36	0	1,700	370	1,700	0
1ST	7+7/8	4+1/2	11.6	0	11,220	592	11,220	

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

33. Comments Exxon owns the surface, Encana owns the minerals. #17 was calculated from the nearest utility. Conductor and Surface casing will be run to surface. Production casing will be set 200' above the Williams fork and the size of hole tapers from 8 3/4 to 7 7/8. The property line is determined by the southernmost Mahogany Marker a.k.a Hoffman #30, #31 in section 17 and #34, #35, #36 Placer Mining claim in Section 16. The property line was calculated using Garfield County Maps.

34. Location ID: 421017

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: 1/23/2013

Email: JENNIFER.LIND@ENCANA.C

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: 2/21/2013

API NUMBER

05 045 20512 00

Permit Number: _____ Expiration Date: 2/20/2015

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) 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) CEMENT ON PRODUCTION CASING MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE MESA VERDE FORMATION (OR 200' ABOVE THE OHIO CREEK FORMATION IF PRESENT). CEMENT TOP VERIFICATION BY CBL IS REQUIRED.

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400373544	FORM 2 SUBMITTED
400373549	SURFACE AGRMT/SURETY
400373550	MINERAL LEASE MAP
400373551	TOPO MAP
400373553	DEVIATED DRILLING PLAN
400373554	WELL LOCATION PLAT
400373556	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
LGD	Passed DB	2/12/2013 2:52:46 PM
Agency	Pad has not been built, changed 2A to #400150416 valid through 6/15/2014, as per Operator.	2/5/2013 11:26:41 AM
Engineer	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 000 FEET DEEP.	2/1/2013 12:07:09 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)