

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:

400460301

Date Received:

07/30/2013

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) INC

4. COGCC Operator Number: 100185

5. Address: 370 17TH ST STE 1700

City: DENVER State: CO Zip: 80202-5632

6. Contact Name: Amy Henline Phone: (720)876-3364 Fax: ()

Email: amy.henline@encana.com

7. Well Name: N. Parachute Well Number: MF11B-3 O04 696

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

9. Proposed Total Measured Depth: 10843

WELL LOCATION INFORMATION

10. QtrQtr: 9 Sec: 4 Twp: 6S Rng: 96W Meridian: 6

Latitude: 39.550700 Longitude: -108.107797

Footage at Surface: 1455 feet FNL/FSL 1532 feet FEL/FWL
 FSL FEL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 6017 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 02/11/2008 PDOP Reading: 3.6 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
 2892 FNL 636 FWL 2892 FNL 636 FWL
 Sec: 3 Twp: 6W Rng: 96W Sec: 3 Twp: 6S 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: 2550 ft

18. Distance to nearest property line: 2482 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 209 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	510-53	11510	

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):

See original APD for mineral lease map.

25. Distance to Nearest Mineral Lease Line: 3200 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 & 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	90	134	90	0
SURF	12+1/4	9+5/8	36	0	1500	288	1500	0
1ST	7+7/8	4+1/2	12	0	10843	590	10843	

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

33. Comments This is a refile 05-045-18793. Encana owns both the surface and the minerals. #17 is from the nearest public road. The size of the production hole is both 8-3/4" and 7-7/8". Conductor and surface cement will be run to surface. Production casing will be set to 200' but preferably more, above TOG. There are no changes from previous APD.

34. Location ID: 414231

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: Amy Henline

Title: Permitting Analyst Date: 7/30/2013 Email: amy.henline@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: 8/30/2013

API NUMBER

05 045 18793 00

Permit Number: _____ Expiration Date: 8/29/2015

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.

COA Type	Description
	<p>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.</p> <p>(2) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS IS REQUIRED.</p> <p>(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.</p>

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
400460301	FORM 2 SUBMITTED
400460315	WELL LOCATION PLAT
400460316	DIRECTIONAL DATA
400462085	DEVIATED DRILLING PLAN

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date
LGD	pass, gdb	8/19/2013 4:11:03 PM
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 00 FEET DEEP.	3/9/2013 1:22:10 PM
Permit	Passes Permitting. Changed distance to lease line, added "Encana owns surface and minerals, no changes from previous APD, and Unit Acreage." as per Operator.	8/9/2013 10:55:49 AM
Permit	Operator made correction. This form has passed completeness.	8/1/2013 11:05:41 AM
Permit	Returned to draft. Deviated Drilling Plan does not open.	8/1/2013 10:01:07 AM

Total: 5 comment(s)

Best Management Practices

No	BMP/COA Type	Description