

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refilling <input checked="" type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
08/21/2013

Well Name: <u>N. PARACHUTE</u>	Well Number: <u>WF02C-14 H15596</u>
Name of Operator: <u>ENCANA OIL & GAS (USA) INC</u>	COGCC Operator Number: <u>100185</u>
Address: <u>370 17TH ST STE 1700</u>	
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202-5632</u>	
Contact Name: <u>AMY HENLINE</u> Phone: <u>(720)876-3364</u> Fax: <u>(720)876-3591</u>	
Email: <u>AMY.HENLINE@ENCANA.COM</u>	

RECLAMATION FINANCIAL ASSURANCE
 Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

QtrQtr: SENE Sec: 15 Twp: 5S Rng: 96W Meridian: 6

Latitude: 39.616839 Longitude: -108.146669

Footage at Surface: 2001 feet FNL 166 feet FEL

FNL/FSL FEL/FWL
FNL FEL

Field Name: GRAND VALLEY Field Number: 31290

Ground Elevation: 6429 County: GARFIELD

GPS Data:
 Date of Measurement: 11/22/2010 PDOP Reading: 2.7 Instrument Operator's Name: ROBERT KAY

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

Footage at Top of Prod Zone:	<small>FNL/FSL</small>	<small>FEL/FWL</small>	<small>Bottom Hole:</small>	<small>FNL/FSL</small>	<small>FEL/FWL</small>
	<u>631</u> <small>FNL</small>	<u>1571</u> <small>FEL</small>	<u>631</u> <small>FNL</small>	<u>1571</u> <small>FEL</small>	
	Sec: <u>14</u> Twp: <u>5S</u> Rng: <u>96W</u>		Sec: <u>14</u> Twp: <u>5S</u> Rng: <u>96W</u>		

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is: is the mineral owner beneath the location.
 (check all that apply) is committed to an Oil and Gas Lease.
 has signed the Oil and Gas Lease.
 is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: No

The right to construct the Oil and Gas Location is granted by: Right of Way

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

This location resides on federal surface and Encana owned minerals. See attached lease map.

Total Acres in Described Lease: 25889 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 250 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 166 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).

- Enter 5280 for distance greater than 1 mile.

- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.

- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit

- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.

- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 270 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary _____ Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

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		

DRILLING PROGRAM

Proposed Total Measured Depth: 12107 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 270 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: ONSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

RECYCLE & BURY

Beneficial reuse or land application plan submitted?

Reuse Facility ID: or Document Number:

CASING PROGRAM

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	1600	305	1600	0
1ST	7+7/8	4+1/2	12	0	12107	676	12107	200

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments This is a refile 05-045-21081. A revised directional plan and well location plat are attached. The name and bottom hole location have changed. This location resides on federal surface and Encana owned minerals. Conductor and surface cement will be run to surface. Production casing will be set to 200' or more above TOG. The size of the production hole is both 8-3/4" and 7-7/8".

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 425805

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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: 8/21/2013 Email: AMY.HENLINE@ENCANA.CO

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: 10/22/2013

Expiration Date: 10/21/2015

API NUMBER
05 045 21081 00

Conditions Of Approval

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.

<u>COA Type</u>	<u>Description</u>
	(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.

Best Management Practices

<u>No BMP/COA Type</u>	<u>Description</u>

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
400466762	FORM 2 SUBMITTED
400466768	MINERAL LEASE MAP
400466769	DEVIATED DRILLING PLAN
400466770	WELL LOCATION PLAT
400466771	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Engineer	on hold - dir. plan references the Rollins - why - two different TDs on dir plan	10/18/2013 5:03:38 PM
Permit	Final review completed. LGD passed without comment. Distance to the nearest property line is 166', exception location request un-necessary..	10/8/2013 9:19:11 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 00 FEET DEEP.	9/10/2013 12:38:38 PM
LGD	pass, gdb	9/6/2013 10:14:22 AM
Permit	Returned to draft. Requested surface and minerals information, exception location request and waiver for property line at 129', request for updated distances for each well, offset well evaluation tab to be left blank, distance from completed portion of the wellbore to the nearest boundary, and corrected mud disposal information.	8/22/2013 6:35:29 AM

Total: 5 comment(s)