

State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax:(303)894-2109



RECEIVED stamp with date OCT 16 07 and COGCC logo



1. [X] Drill, [] Deepen, [] Re-enter, [] Recomplete and Operate

2. TYPE OF WELL OIL [] GAS [X] COALBED [] OTHER: [] SINGLE ZONE [] MULTIPLE ZONES [X] COMMINGLE ZONES [X]

Refilling [] Sidetrack [] Plugging Bond Surety ID# 20050026

3. Name of Operator EnCana Oil & Gas (USA) Inc. 4. COGCC Operator Number: 100185
5. Address: 370 17th Street, Suite 1700
6. Contact Name: Melanie Holt Phone: 720-876-5013 Fax: 720-876-6013
7. Well Name: Haley Well Number: 32-3
8. Unit Name (if appl): Unit Number:
9. Proposed Total Measured Depth: 8233'

10. QtrQtr: SWNE Sec: 3 Twp: 1N Rng: 69W Meridian: 6th P.M.
Latitude: 40.08191 Longitude: 105.10042
Footage At Surface: 1959' FNL 1989' FEL
11. Field Name: Wattenberg Field Number: 90750
12. Ground Elevation: 5078.1 13. County: Boulder

14. GPS Data: Date of Measurement: 08/17/2007 PDOP Reading: < 6 Instrument Operator's Name: CP

15. If well is: [] Directional [] Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng:
Footage At Top of Prod Zone: [] FNL/FSL [] At Bottom Hole: [] FNL/FSL [] FEL/FWL

16. Is location in a high density area (Rule 603b)? [] Yes [X] No
17. Distance to the nearest building, public road, above ground utility or railroad: 663'
18. Distance to Nearest Property Line: 653' 19. Distance to nearest well permitted/completed in the same formation: 1371 > 1200'

20. LEASE, SPACING AND POOLING INFORMATION table with columns: Objective Formation(s), Formation Code, Spacing Order Number (s), Unit Acreage Assigned to Well, Unit Configuration (N/2, SE/4, etc.)

21. Mineral Ownership: [X] Fee [] State [] Federal [] Indian
22. Surface Ownership: [X] Fee [] State [] Federal [] Indian
23. Is the Surface Owner also the Mineral Owner? [] Yes [X] No Surface Surety ID# 20050027
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? [] Yes [X] No
23b. If 23 is No: [] Surface Owners Agreement Attached or [X] \$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): T1N-R69W SEC 3: NE/4
25. Distance to Nearest Mineral Lease Line: 653' 645' 26. Total Acres in Lease: 160

27. Is H2S anticipated? [] Yes [X] No If Yes, attach contingency plan.
28. Will salt sections be encountered during drilling? [] Yes [X] No
29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? [] Yes [X] No
30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? [] Yes [X] No If 28, 29 or 30 are "Yes" a pit permit may be required.
31. Mud disposal: [X] Offsite [] Onsite
Method: [X] 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.
Table with columns: String, Size of Hole, Size of Casing, Weight Per Foot, Setting Depth, Sacks Cement, Cement Bottom, Cement Top

32. BOP Equipment Type: [X] Annular Preventor [X] Double Ram [X] Rotating Head [] None ** Cement Shannon ** DB
33. Comments No conductor casing will be used.

34. Initial Rule 306 Consultation took place on (date) 08/14/2007, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.
I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.
Signed: [Signature] Print Name: Melanie Holt
Title: Permitting Agent Date: 10/12/2007 Email: melanie.holt@encana.com

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: [Signature] Director of COGCC Date: 12-18-07
Permit Number: 20075867 Expiration Date: 12-17-08

API NUMBER 05-013-06568-00

CONDITIONS OF APPROVAL, IF ANY:

1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' below Shannon to 200' above Shannon. Verify coverage with cement bond log.

LOCATION: SW1/4 OF NE1/4 OF SEC. 3, T.1N., R.69W. (1959 NSL, 1989 ESL) SB5OUT1.TXT



Ground Elevation: 5078

Number of Acres: 160

AQUIFER	ELEVATION		NET SAND	DEPTH TO		ANNUAL APPROP A-F	STATUS
	BOT.	TOP		BOT.	TOP		
UPPER DAWSON	----	----	----	----	----	----	----
LOWER DAWSON	----	----	----	----	----	----	----
DENVER	----	----	----	----	----	----	----
UPPER ARAPAHOE	----	----	----	----	----	----	----
LOWER ARAPAHOE	----	----	----	----	----	----	----
LARAMIE-FOX HILLS	----	----	----	----	----	----	----

note: E indicates location is at aquifer boundary and values may be more approximate.

Data for the LARAMIE FOX-HILLS may be missing or approximate and should be checked against DENVER BASIN ATLAS NO. 4

SURFACE CASING CHECK

Well Name HALEY 32-3

- New Drill Refiling Deepen Re-Enter Recomplete and Operate Plug and Abandon Casing Repair

SB5 Base of Fox Hills —

Cheyenne Basin Map Base of Fox Hills —

Fox Hills Protection Area 5% Rule .05(8233) = 412

Deepest Water Well w/in One Mile 200'

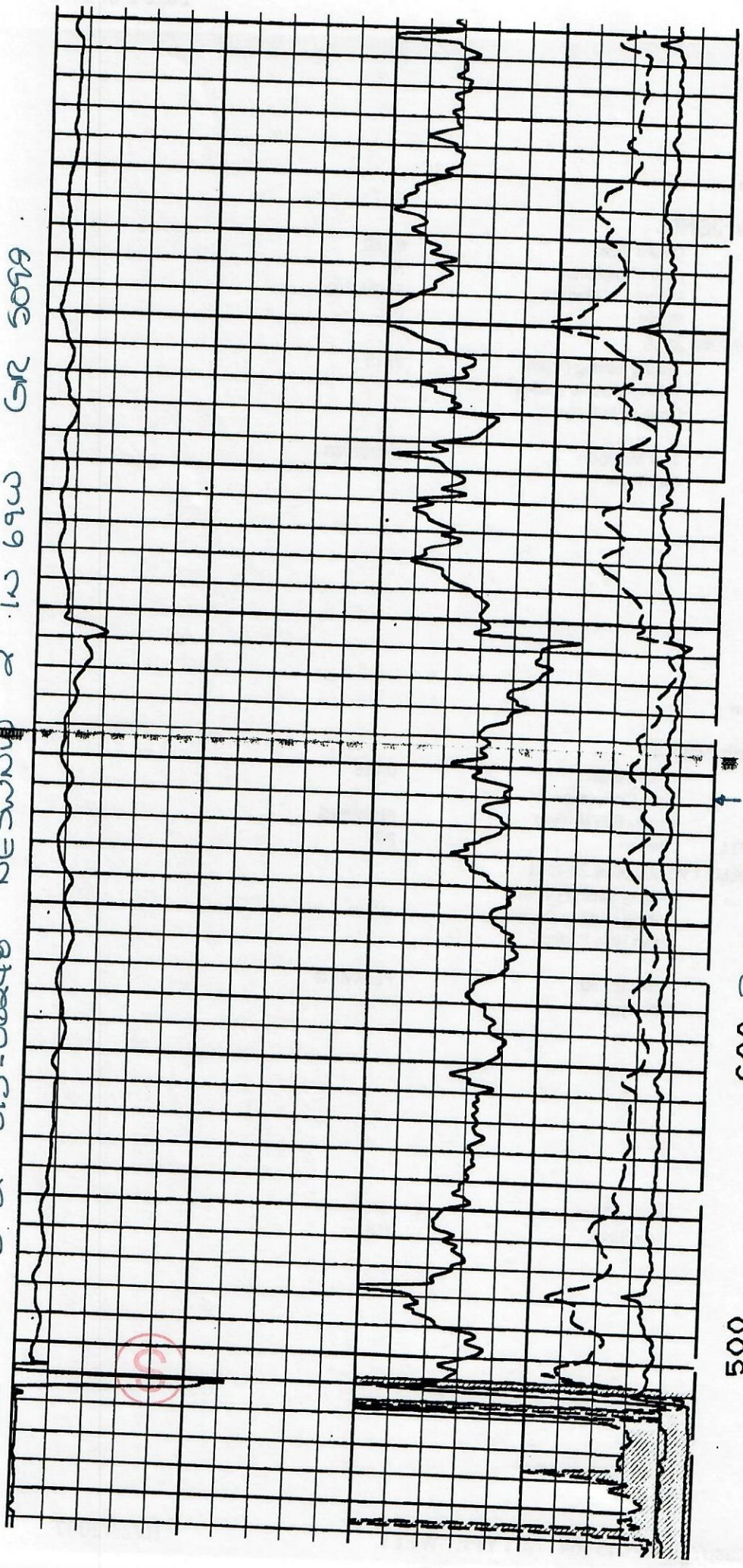
Operator-Proposed Surface Casing Depth (670') DB 10/23/07

Actual Surface Casing Depth _____

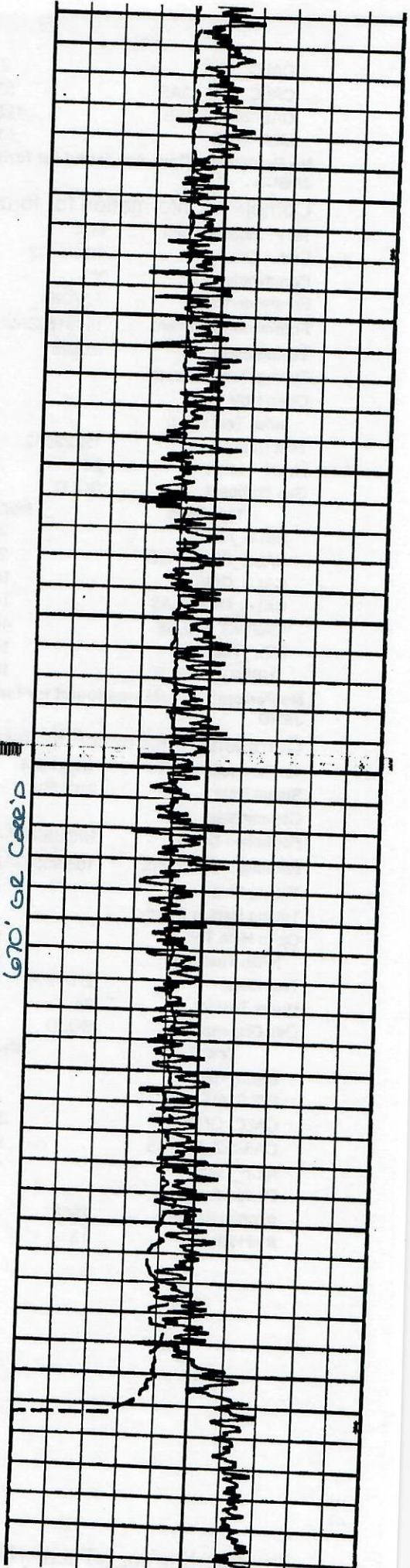
Change Permit Surface Casing Depth from _____ to _____

OK on this well's or offset well's induction log at 691'

THOMPSON 3-2 013-06228 NESUND 2 12 690 GR 5099



600 Proposed SC Fee 700
Haley 32-3
670' GR Core'd



CALC_GOR 2
 CALC_MCF_GAS 55
 CASING_PRESS 1250
 MCF_GAS 55

No Perforation Data was found for formation JNBCD .

Completed information for formation JSND

1st Production Date: N/A Choke Size: 0.250
 Status Date: 12/3/2002 Hole Completion: N
 Commingled: Y Production Method: FLOWING
 Formation Name: J SAND Status: PR
 Formation Treatment: 140616 GALS & 447,220# 20/40
 Tubing Size: 2.0625 Tubing Setting Depth: 7513
 Tubing Packer Depth: Tubing Multiple Packer:
 Open Hole Top: Open Hole Bottom:
 Initial Test Data:
 Test Date: 12/3/2002 Test Method: FLOWING
 Hours Tested: 24 Gas Type:
 Gas Disposal: SOLD

Test Type	Measure
BBLS_H2O	25
CALC_BBLS_H2O	25
CALC_GOR	146
CALC_MCF_GAS	146
CASING_PRESS	440
MCF_GAS	146
TUBING_PRESS	160

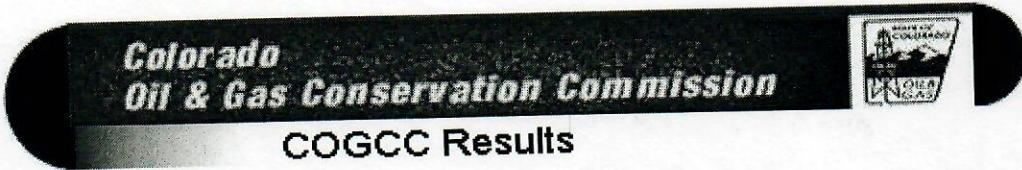
No Perforation Data was found for formation JSND .

Completed information for formation NB-CD

1st Production Date: 1/18/1994 Choke Size: 0.156
 Status Date: 2/1/1994 Hole Completion:
 Commingled: Production Method: FLOWING
 Formation Name: NIOBRARA-CODELL Status: PR
 Formation Treatment: 108,900 GAL APOLLO 1 W/ 300,000# 20/40 M
 Tubing Size: Tubing Setting Depth:
 Tubing Packer Depth: Tubing Multiple Packer:
 Open Hole Top: Open Hole Bottom:
 Initial Test Data:
 Test Date: 2/1/1994 Test Method: FLOWING
 Hours Tested: 24 Gas Type:
 Gas Disposal: SOLD

Test Type	Measure
BBLS_H2O	2
BBLS_OIL	26
CALC_GOR	2115
CASING_PRESS	1250
MCF_GAS	55

Perforation Data:
 Interval Bottom: 7696 Interval Top: 7450
 # of Holes: 13 Hole Size: 0.32



Selected Items Report

Oil and Gas Wells Selected

Filter Results by Formation Include SNSD Filter

WELL DESCRIPTION	LOCATION	WELL INFORMATION
05-013-06017, THRONDSO N 1 NOBLE ENERGY PRODUCTION INC	NENW 2 1N -69W (6)	Sidetrack TD Formation Status 00 4980 SNSD PR

Facilities Selected

FACILITY DESCRIPTION	LOCATION	PIT INFORMATION		
		Type	Unlined	Status

Water Wells Selected From Map

Filter Results by Depth Greater than 100 Filter

WELL DESCRIPTION	LOCATION	WELL INFORMATION			
		Depth	Top Perf	Bottom Perf	Aquifer
Receipt=9008828, Permit=0008957-- TANAKA SAM	SESE 2 1N-69W	105	0	0	GW
Receipt=0514560B, Permit=0252579--A MILLS ARLYN & GAIL	NWSW 2 1N-69W	200	100	200	KLF
Receipt=0047177, Permit=0072737--A NEMNICH CHARLES L	SWSW 2 1N-69W	120	38	44	GW

Well name and number:

Waley 32-3



Survey Plat Check list

number	Item	
	8-1/2" x 11" scaled drawing of the entire section	✓
1	Dimensions on adjacent exterior section lines sufficient to completely describe the quarter section containing the proposed well shall be indicated	✓
1a	If dimensions are not field measured, state how the dimensions were determined	✓
2	The latitude and longitude of the proposed well location shall be provided on the drawing with a minimum of five (5) decimal places of accuracy and precision using the North American Datum (NAD) of 1983 (e.g.; latitude 37.12345 N, longitude 104.45632 W). If GPS technology is utilized to determine the latitude and longitude, all GPS data shall meet the requirements set forth in Rule 215. a. through h.	✓
2a	PDOP value <7 if GPS used	✓
2b	5 decimal places of accuracy & precision	✓
2c	NAD 1983	✓
3	For directional drilling into an adjacent section, that section shall also be shown on the location plat and dimensions on exterior section lines sufficient to completely describe the quarter section containing the proposed productive interval and bottom hole location shall be indicated. (Additional requirements related to directional drilling are found in Rule 321.)	<i>WMB</i>
4	For irregular, partial or truncated sections, dimensions will be furnished to completely describe the entire section containing the proposed well.	—
5	The field-measured distances from the nearer north/south and nearer east/west section lines shall be measured at ninety (90) degrees from said section lines to the well location and referenced on the plat. For unsurveyed land grants and other areas where an official public land survey system does not exist, the well locations shall be spotted as footages on a protracted section plat using Global Positioning System (GPS) technology and reported as latitude and longitude in accordance with Rule 215.	✓
6	A map legend	✓
7	A North Arrow	✓
8	A scale expressed as an equivalent (e.g. 1" = 1000').	✓
9	A bar scale.	✓
10	The ground elevation.	✓
11	The basis of the elevation (how it was calculated or its source).	✓
12	The basis of bearing or interior angles used.	✓
13	Complete description of monuments and/or collateral evidence found; all aliquot corners used shall be described.	✓
14	The legal land description by section, township, range, principal meridian, baseline and county.	✓
15	Operator name	✓
16	Well name and number	✓
17	Date of completion of scaled drawing	✓
18	All visible improvements within two hundred (200) feet of a wellhead (or, in a high density area within four hundred (400) feet of a wellhead) shall be physically tied in and plotted on the well location plat or on an addendum, with a horizontal distance and approximate bearing from the well location.	—
18a	Visible improvements shall include, but not be limited to, all buildings, publicly maintained roads and trails, major above ground utility lines, railroads, pipelines, mines, oil wells, gas wells, injection wells, water wells, visible plugged wells, sewers with manholes, standing bodies of water, and natural channels including permanent canals and ditches through which water flows.	—
18b	If there are no visible improvements within two hundred (200) feet of a wellhead (or in a high density area within four hundred (400) feet of a wellhead), it shall be so noted on the Permit-to-Drill, Form 2.	—
19	Surface use shall be described within the two hundred (200) foot radius of a wellhead (or in a high density area within the four hundred (400) foot radius of a wellhead).	—

The survey plat you submitted with your permit was found to be in non-compliance with COGCC rule 303c. See above checklist. If a survey plat is not in compliance with rule 303c the operator will be notified and the permit will be placed on hold until an adequate replacement is supplied to the COGCC.

WMB