

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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|----|----|----|----|
| DE | ET | OE | ES |
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APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
SINGLE ZONE ☒ MULTIPLE ZONE ☐ COMMINGLE ZONE ☐

Refiling ☐
Sidetrack ☐

Document Number:

400084242

Plugging Bond Surety

20060105

3. Name of Operator: APOLLO OPERATING LLC

4. COGCC Operator Number: 10051

5. Address: 1538 WAZEE ST STE 200

City: DENVER State: CO Zip: 80202

6. Contact Name: Virginia Lopez Phone: (303)928-7128 Fax: (303)423-8765
Email: virginia@petro-fs.com

7. Well Name: Martin Well Number: 34-12 D

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

9. Proposed Total Measured Depth: 7367

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 12 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.239083 Longitude: -104.948858

Footage at Surface: 1992 FNL/FSL FSL 1985 FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4886 13. County: WELD

14. GPS Data:

Date of Measurement: 07/29/2010 PDOP Reading: 6.0 Instrument Operator's Name: Chris Pearson

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

Footage at Top of Prod Zone: FNL/FSL 664 FSL 2004 FEL FEL Bottom Hole: FNL/FSL 664 FSL 2004 FEL FEL
Sec: 12 Twp: 3N Rng: 68W Sec: 12 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: 808 ft

18. Distance to nearest property line: 285 ft 19. Distance to nearest well permitted/completed in the same formation: 912 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Niobrara-Codell | NB-CD | | 80 | W/2 SE/4 |

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 Bon ☐ \$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 the attached for the mineral lease description.

25. Distance to Nearest Mineral Lease Line: 124 ft 26. Total Acres in Lease: 13

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 8+5/8 | 24 | 510 | 350 | 510 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 7,367 | 450 | 7,367 | 0 |

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

33. Comments No conductor casing will be used.

34. Location ID: 418716

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: Virginia Lopez

Title: Regulatory Technician Date: 8/20/2010 Email: virginia@petro-fs.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: David S. Nashin Director of COGCC Date: 10/4/2010

API NUMBER

05 123 32309 00

Permit Number: _____ Expiration Date: 10/3/2012

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) Provide 24 hour notice of MIRU to Bo Brown at 970-397-4124 or e-mail at bo.brown@state.co.us.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. 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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|-------------------------|----------------------|
| 2621971 | LEASE MAP | LF@2588882 2621971 |
| 400084242 | FORM 2 SUBMITTED | LF@2527879 400084242 |
| 400084955 | PLAT | LF@2527880 400084955 |
| 400084956 | TOPO MAP | LF@2527881 400084956 |
| 400084957 | LEGAL/LEASE DESCRIPTION | LF@2527882 400084957 |
| 400086299 | DEVIATED DRILLING PLAN | LF@2527883 400086299 |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|--------------------------|
| Permit | Uploaded Lease Map to application as attachment. Changed distance to mineral lease line from 285' to 124'. PVG | 10/1/2010 3:36:30 PM |
| Permit | ON HOLD. Productive interval is on located in the lease provided. Requested new lease description. PVG | 9/20/2010 5:10:08 PM |
| Permit | Per Virginia Lopez, change Total Proposed Depth from 7367 feet to 7500'. PVG Per Virginia Lopez, change footages for top of producing zone from 1992 FSL 1985 FEL to 660 FSL 2004 FEL. PVG | 9/20/2010 4:56:15 PM |
| Permit | per Virginia I can make the forms related additions/changes/corrections that were absent | 8/23/2010 11:49:04 AM |

Total: 4 comment(s)

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