

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



| | | | |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

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:

400089966

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: Mesbergen Well Number: 45-3D

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

9. Proposed Total Measured Depth: 8080

WELL LOCATION INFORMATION

10. QtrQtr: SE/SE Sec: 3 Twp: 6N Rng: 66W Meridian: 6

Latitude: 40.511283 Longitude: -104.756706

Footage at Surface: 429 FNL/FSL FSL 680 FEL/FWL FEL

11. Field Name: Eaton Field Number: 19350

12. Ground Elevation: 4900 13. County: WELD

14. GPS Data:

Date of Measurement: 09/22/2010 PDOP Reading: 6.0 Instrument Operator's Name: Ben Milius

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

Footage at Top of Prod Zone: FNL/FSL 429 FSL 680 FEL 680 FEL/FWL 1300 FSL 1336 FEL 1336
Sec: 3 Twp: 6N Rng: 66W Sec: 3 Twp: 6N Rng: 66W

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: 323 ft

18. Distance to nearest property line: 182 ft 19. Distance to nearest well permitted/completed in the same formation: 1080 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| JSAND | JSND | | 160 | SE/4 |
| Niobrara-Codell | NB-CD | 407 | 160 | 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 mineral lease map.

25. Distance to Nearest Mineral Lease Line: _____ 18 ft _____ 26. Total Acres in Lease: _____ 88 _____

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 | 500 | 350 | 500 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 8,080 | 500 | 8,080 | |

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

33. Comments No conductor casing will be used. Apollo Operating LLC requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window.

34. Location ID: _____

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: 10/4/2010 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. Neslin Director of COGCC Date: 11/4/2010

API NUMBER

05 123 29426 00

Permit Number: _____ Expiration Date: 11/3/2012

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 Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to 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 |
|-------------|------------------------|----------------------|
| 2110544 | DEVIATED DRILLING PLAN | LF@2599255 2110544 |
| 2622086 | EXCEPTION LOC WAIVERS | LF@2611892 2622086 |
| 2622087 | EXCEPTION LOC REQUEST | LF@2611914 2622087 |
| 400089966 | FORM 2 SUBMITTED | LF@2597914 400089966 |
| 400097151 | PLAT | LF@2597915 400097151 |
| 400097152 | TOPO MAP | LF@2597916 400097152 |
| 400097154 | DEVIATED DRILLING PLAN | LF@2597917 400097154 |
| 400097262 | MINERAL LEASE MAP | LF@2597918 400097262 |

Total Attach: 8 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---|-----------------------|
| Permit | Per Virginia Lopez, please change NB-CD unit acreage to 160 acres and NB-CD unit configuration to SE/4. PVG | 11/1/2010 1:22:13 PM |
| Permit | NB-CD Unit must be configured to 160 acres SE/4. Otherwise complete PVG | 11/1/2010 9:19:09 AM |
| Permit | Uploaded Exception Location Request and Waivers to application as attachment. PVG | 11/1/2010 9:08:15 AM |
| Permit | ON HOLD. Window exception and mineral encroachment. PVG | 10/14/2010 9:11:58 AM |

Total: 4 comment(s)

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