


<b>FORM</b> <b>2</b> Rev 12/05	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
DE	ET	OE	ES				
<b>APPLICATION FOR PERMIT TO:</b>			Document Number:  400172209  Plugging Bond Surety  20060105				
1. <input checked="" type="checkbox"/> <b>Drill,</b> <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER <input type="checkbox"/> AND GAS _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> COMMINGLE ZONE <input checked="" type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>APOLLO OPERATING LLC</u>		4. COGCC Operator Number: <u>10051</u>					
5. Address: <u>1538 WAZEE ST STE 200</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>							
6. Contact Name: <u>TANYA CARPIO</u> Phone: <u>(303)830-0888 X.</u> Fax: <u>(303)830-2818</u> Email: <u>TCARPIO@APOLLOOPERATING.COM</u>							
7. Well Name: <u>MARGIL FARMS</u>		Well Number: <u>11-2D</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>7753</u>							
<b>WELL LOCATION INFORMATION</b>							
10. QtrQtr: <u>SWNW</u> Sec: <u>2</u> Twp: <u>3N</u> Rng: <u>68W</u> Meridian: <u>6</u> Latitude: <u>40.258480</u> Longitude: <u>-104.977310</u>							
Footage at Surface: <u>1531</u> feet      FNL/FSL <u>FNL</u> <u>711</u> feet      FEL/FWL <u>FWL</u>							
11. Field Name: <u>WATTENBERG</u>		Field Number: <u>90750</u>					
12. Ground Elevation: <u>5016</u>		13. County: <u>WELD</u>					
14. GPS Data: Date of Measurement: <u>05/06/2011</u> PDOP Reading: <u>1.3</u> Instrument Operator's Name: <u>ADAM KELLY</u>							
15. If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) <b>submit deviated drilling plan.</b> Footage at Top of Prod Zone:      FNL/FSL      FEL/FWL      Bottom Hole:      FNL/FSL      FEL/FWL <u>690</u> <u>FNL</u> <u>667</u> <u>FWL</u> <u>690</u> <u>FNL</u> <u>667</u> <u>FWL</u> Sec: <u>2</u> Twp: <u>3N</u> Rng: <u>68W</u> Sec: <u>2</u> Twp: <u>3N</u> Rng: <u>68W</u>							
16. Is location in a high density area? (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>396 ft</u>							
18. Distance to nearest property line: <u>156 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>3838 ft</u>							
<b>20. LEASE, SPACING AND POOLING INFORMATION</b>							
Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)			
CODELL-NIOBRARA	NB-CD	407-87	80	N/2NW/4			

**IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.**

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 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 ATTACHED MINERAL LEASE DESCRIPTION.

25. Distance to Nearest Mineral Lease Line: \_\_\_\_\_ 156 ft 26. Total Acres in Lease: \_\_\_\_\_ 92

**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

Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: CLOSED LOOP SYSTEM

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
SURF	12+1/4	8+5/8	24	0	900	275	900	0
1ST	7+7/8	4+1/2	11.6	0	7,753	1,150	7,753	0

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

33. Comments NO CONDUCTOR WILL BE USED

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: TANYA CARPIO

Title: OFFICE MANAGER Date: 6/7/2011 Email: TCARPIO@APOLLOOPERATI

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: 6/30/2011

**API NUMBER**

05 123 33832 00

Permit Number: \_\_\_\_\_ Expiration Date: 6/29/2013

**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) Note surface casing setting depth change from 400' to 900'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) 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
1694150	EXCEPTION LOC REQUEST
1694151	EXCEPTION LOC WAIVERS
1771321	SURFACE CASING CHECK
400172209	FORM 2 SUBMITTED
400172241	WELL LOCATION PLAT
400172242	MINERAL LEASE MAP
400172243	DEVIATED DRILLING PLAN
400172246	LEGAL/LEASE DESCRIPTION

Total Attach: 8 Files

**General Comments**

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received Exception Location Request letter and Waivers.	6/21/2011 1:03:16 PM
Permit	ON HOLD: Requesting an Exception Location Request letter and Waivers.	6/15/2011 1:57:41 PM

Total: 2 comment(s)

**BMP**

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)