

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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Document Number:
1635939
Plugging Bond Surety
19960010

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

3. Name of Operator: MATRIX ENERGY LLC 4. COGCC Operator Number: 54380

5. Address: 1241 THOROUGHbred ROAD
City: DURANGO State: CO Zip: 81303

6. Contact Name: DAVID M. BLANDFORD Phone: (970)247-1959 Fax: (970)247-2359
Email: ANDELEENERGY@GMAIL.COM

7. Well Name: VARRA Well Number: 43-9-12

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

9. Proposed Total Measured Depth: 7283

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 9 Twp: 5N Rng: 65W Meridian: 6
Latitude: 40.414510 Longitude: -104.660150

Footage at Surface: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet
FNL _____ 335 _____ FEL _____

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4625 13. County: WELD

14. GPS Data:

Date of Measurement: 02/15/2011 PDOP Reading: 2.0 Instrument Operator's Name: C. VANMATRE

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

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
2544 FSL 1315 FEL 2544 FSL 1315 FEL
Sec: 10 Twp: 5N Rng: 65W Sec: 10 Twp: 5N Rng: 65W

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: 169 ft

18. Distance to nearest property line: 313 ft 19. Distance to nearest well permitted/completed in the same formation: 801 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	407	160	GWA

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):
SWNE, SENE, NWSE, NENE SEC 9-T5N-R65W

25. Distance to Nearest Mineral Lease Line: 1238 ft 26. Total Acres in Lease: 160

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 **If 28, 29, or 30 are "Yes" a pit permit may be required.**

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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	400	200	400	0
1ST	7+7/8	4+1/2	11.6	0	7,183	500	7,183	0

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

33. Comments Proposed spacing unit is S/2NE4 and N/2SE4. No conductor casing will be used.

34. Location ID: 333228

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: DAVID M. BLANDFORD

Title: CO-MANAGER Date: 4/27/2011 Email: ANDELEENERGY@GMAIL.CO

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: 7/5/2011

API NUMBER
05 123 33853 00

Permit Number: _____ Expiration Date: 7/4/2013

CONDITIONS OF APPROVAL, IF ANY: _____

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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.

Derrick height (ground to crown) cannot exceed 113 feet due to close proximity to building power line of public road.

- 1) Provide 24 hour notice of MIRU to Bo Brown via 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 the Niobrara. 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
1635939	APD ORIGINAL
1635940	WELL LOCATION PLAT
1635941	TOPO MAP
1635942	SURFACE AGRMT/SURETY
1635943	DEVIATED DRILLING PLAN
1635944	EXCEPTION LOC REQUEST
1635945	WAIVERS
1771030	SURFACE CASING CHECK
2530744	PROPOSED SPACING UNIT
2530821	CORRESPONDENCE

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received notification that no objection to proposed spacing was filed. Attached. Proposed spacing attachments attached.	6/28/2011 8:55:55 AM
Permit	Updated permit with proposed spacing unit attachments. Waiting for 20 day to expire and a letter saying no objections were filed.	6/13/2011 7:01:07 AM
Permit	No conductor casing will be used.	5/24/2011 3:31:48 PM
Permit	Need related document 2a number and will conductor casing be used.	5/19/2011 3:41:36 PM
Permit	On hold waiting on proposed spacing unit attachments.	5/19/2011 3:15:34 PM
Permit	Added plugging bond, zone type as single, & location id as per conversation with Opr-David. sf	5/19/2011 9:57:48 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)