


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		<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
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APPLICATION FOR PERMIT TO:			Document Number: 1635939 Plugging Bond Surety 19960010				
1. <input checked="" type="checkbox"/> Drill, <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 _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>MATRIX ENERGY LLC</u>		4. COGCC Operator Number: <u>54380</u>					
5. Address: <u>1241 THOROUGHbred ROAD</u> City: <u>DURANGO</u> State: <u>CO</u> Zip: <u>81303</u>							
6. Contact Name: <u>DAVID M. BLANDFORD</u> Phone: <u>(970)247-1959</u> Fax: <u>(970)247-2359</u> Email: <u>ANDELEENERGY@GMAIL.COM</u>							
7. Well Name: <u>VARRA</u>		Well Number: <u>43-9-12</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>7283</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SENE</u> Sec: <u>9</u> Twp: <u>5N</u> Rng: <u>65W</u> Meridian: <u>6</u> Latitude: <u>40.414510</u> Longitude: <u>-104.660150</u>							
Footage at Surface: <u>2370</u> feet FNL/FSL <u>FNL</u> <u>335</u> feet FEL/FWL <u>FEL</u>							
11. Field Name: <u>WATTENBERG</u>		Field Number: <u>90750</u>					
12. Ground Elevation: <u>4625</u>		13. County: <u>WELD</u>					
14. GPS Data: Date of Measurement: <u>02/15/2011</u> PDOP Reading: <u>2.0</u> Instrument Operator's Name: <u>C. VANMATRE</u>							
15. If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan. Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL <u>2544</u> <u>FSL</u> <u>1315</u> <u>FEL</u> <u>2544</u> <u>FSL</u> <u>1315</u> <u>FEL</u> Sec: <u>10</u> Twp: <u>5N</u> Rng: <u>65W</u> Sec: <u>10</u> Twp: <u>5N</u> Rng: <u>65W</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>169 ft</u>							
18. Distance to nearest property line: <u>313 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>801 ft</u>							
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

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:

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)