

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> Document Number: 400169492 Plugging Bond Surety 20060105	DE	ET	OE	ES
DE	ET	OE	ES				
APPLICATION FOR PERMIT TO:							
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 <input type="checkbox"/> <u>AND GAS</u> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> COMMINGLE ZONE <input checked="" 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>HOAGLAND</u> Well Number: <u>45-4D</u>							
8. Unit Name (if appl): _____ Unit Number: _____							
9. Proposed Total Measured Depth: <u>7766</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SESE</u> Sec: <u>4</u> Twp: <u>3N</u> Rng: <u>68W</u> Meridian: <u>6</u> Latitude: <u>40.249520</u> Longitude: <u>-105.001100</u>							
Footage at Surface: <u>650</u> feet <u>FSL</u> <u>678</u> feet <u>FEL</u> <small style="margin-left: 100px;">FNL/FSL</small> <small style="margin-left: 100px;">FEL/FWL</small>							
11. Field Name: <u>WATTENBERG</u> Field Number: <u>90750</u>							
12. Ground Elevation: <u>5013</u> 13. County: <u>WELD</u>							
14. GPS Data: Date of Measurement: <u>05/06/2011</u> PDOP Reading: <u>1.7</u> Instrument Operator's Name: <u>ADAM KELLY</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>1330</u> <u>FSL</u> <u>1327</u> <u>FEL</u> <u>1330</u> <u>FSL</u> <u>1327</u> <u>FEL</u> Sec: <u>4</u> Twp: <u>3N</u> Rng: <u>68W</u> Sec: <u>4</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>653 ft</u>							
18. Distance to nearest property line: <u>650 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>946 ft</u>							
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	407-87	160	ALL			

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#: 20080044
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):
PT. S/2SE/4, SEC. 4, T3N, R68W; MAP IS ATTACHED
25. Distance to Nearest Mineral Lease Line: 650 ft 26. Total Acres in Lease: 126

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: 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	700	275	700	0
1ST	7+7/8	4+1/2	11.6	0	7,766	525	7,766	3,000

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: 5/27/2011 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: 7/5/2011

API NUMBER
05 123 33879 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.

- 1) Note surface casing setting depth change from 400' to 700'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Bo Brown at e-mail bo.brown@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
400169492	FORM 2 SUBMITTED
400169509	WELL LOCATION PLAT
400169511	MINERAL LEASE MAP
400169512	DEVIATED DRILLING PLAN
400169694	30 DAY NOTICE LETTER

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received correct objective formation info and spacing order. Changed distance to nearest well from 5396' to 946' per opr.	6/15/2011 8:49:21 AM
Permit	Requesting corrected objective formation, spacing unit. and "Distance to nearest well permitted/completed in the same formation".	6/13/2011 10:24:32 AM
Permit	Bond number added by direction of Opr Tanya. sf	5/31/2011 10:07:20 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)