

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



Document Number:

2287392

Date Received:

02/10/2012

PluggingBond SuretyID

20120004

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒

Refiling ☐

Sidetrack ☐

3. Name of Operator: MAK-J ENERGY COLORADO LLC

4. COGCC Operator Number: 10401

5. Address: 1600 N BROADWAY, SUITE 1740

City: DENVER State: CO Zip: 80202

6. Contact Name: CHUCK POLLARD Phone: (303)339-5884 Fax: (303)4468-0092

Email: CPOLLARD@MAKJENERGY.COM

7. Well Name: MCCOY Well Number: 2-6-33

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

9. Proposed Total Measured Depth: 7624

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 33 Twp: 4N Rng: 68W Meridian: 6

Latitude: 40.266790 Longitude: -105.016910

Footage at Surface: 1629 feet FNL/FSL 219 feet FEL/FWL
FSL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5054 13. County: WELD

14. GPS Data:

Date of Measurement: 12/14/2011 PDOP Reading: 1.3 Instrument Operator's Name: WYATT HALL

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
1326 FSL 1326 FWL 1326 FSL 1326 FWL
Sec: 33 Twp: 4N Rng: 68W Sec: 33 Twp: 4N Rng: 68W

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: 200 ft

18. Distance to nearest property line: 219 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 937 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | | 160 | SW/4 |
| NIOBRARA | NBRR | | 160 | SW/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 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):

TOWNSHIP 4 NORTH, RANGE 68 WEST, SECTION 33; W/2

25. Distance to Nearest Mineral Lease Line: 1326 ft

26. Total Acres in Lease: 320

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 | 665 | 458 | 458 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,624 | 153 | 7,624 | 6,964 |

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

33. Comments NO CONDUCTOR CASING WILL BE RUN. OPERATOR REQUESTS A RULE 318A(l).a and 318A(l).C EXCEPTION LOCATION; WELL IS TO BE LOCATED OUTSIDE OF A GWA DRILLING WINDOW AND

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: CHARLES W. POLLARD

Title: PRESIDENT Date: 2/9/2012 Email: CPOLLARD@MAKJENERGY.

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: _____ Director of COGCC Date: 3/8/2012

API NUMBER

05 123 35229 00

Permit Number: _____ Expiration Date: 3/7/2014

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.

Operator must meet water well testing requirements per Rule 318A.

- 1) Provide 24 hour notice of MIRU to COGCC inspector John Montoya via e-mail at John.Montoya@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address.
- 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 |
|-------------|------------------------|
| 1694728 | EXCEPTION LOC REQUEST |
| 1694729 | EXCEPTION LOC WAIVERS |
| 1771589 | SURFACE CASING CHECK |
| 2287392 | FORM 2 SUBMITTED |
| 2287393 | WELL LOCATION PLAT |
| 2287394 | DEVIATED DRILLING PLAN |
| 400253359 | DIRECTIONAL DATA |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| Permit | Final Review Completed. No LGD or public comment received. | 3/7/2012 4:26:43 PM |
| Permit | Received and attached Direction Drilling Templates. Okay to pass pending public comment 3/05/12. | 2/17/2012 4:05:18 PM |
| Permit | Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached. | 2/17/2012 10:41:47 AM |
| Permit | Received and attached Exception Loc Request and Waivers. | 2/15/2012 2:54:24 PM |
| Permit | Missing plugging bond. Input per operator 22b not required. Changed per operator. | 2/14/2012 7:57:31 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|-----------------------|
| | |

Total: 0 comment(s)