

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Date Received:

03/26/2012

PluggingBond SuretyID

20120013

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: MATRIX OIL CORPORATION4. COGCC Operator Number: 104025. Address: 104 W ANAPAMU STREET #CCity: SANTA BARBARA State: CA Zip: 931016. Contact Name: Terry Hoffman Phone: (720)5428287 Fax: ()Email: terry@rockymountainpermitting.com7. Well Name: Sheridan Well Number: 11-2

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

9. Proposed Total Measured Depth: 4840

WELL LOCATION INFORMATION

10. QtrQtr: TR 47A Sec: 11 Twp: 1N Rng: 94W Meridian: 6Latitude: 40.066008 Longitude: -107.908008

Footage at Surface: 1151 feet FNL/FSL 2071 feet FEL/FWL FSL FWL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 6384 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 02/24/2012 PDOP Reading: 1.7 Instrument Operator's Name: Shay Young15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1533 FSL 2479 FEL/FWL 1843 FNL 1854 FEL/FWL FWL
 Sec: 11 Twp: 1N Rng: 94W Sec: 11 Twp: 1N Rng: 94W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 169 ft18. Distance to nearest property line: 290 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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	NBRR			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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 Lease Description

25. Distance to Nearest Mineral Lease Line: 633

26. Total Acres in Lease: 1867

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
CONDUCTOR	20	16	42	0	60	70	60	0
SURF	12+1/4	9+5/8	36	0	600	327	600	0
1ST	8+3/4	7	20	0	2,600	510	2,600	0
1ST LINER	6+1/4	4+1/2	11.6	2300	4,840			

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

33. Comments Footages listed as 5280' are more than one mile. Drilling mud will be Synthetic Amodrill 14-10, a BT Product - approved for Land Farming. 4-1/2" liner will not be cemented in hole.

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: Terry L. Hoffman

Title: Permit Agent Date: 3/26/2012 Email: terry@rockymountainpermitting

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 5/2/2012

API NUMBER

05 103 11920 00

Permit Number: _____ Expiration Date: 5/1/2014

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.

Before placing oil/salt based muds in a pit, operator must file and receive prior approval of a Pit Permit, Form 15. COGCC regulations regarding pit permits can be found in Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS.

Rig height (mast plus substructure) cannot exceed 112.6 feet due to close proximity to road unless a variance is requested and approved by the director. COGCC regulations regarding statewide setbacks can be found in Rule 603.a
DRILLING AND WELL SERVICING OPERATIONS AND HIGH DENSITY AREA RULES

1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) 7" PRODUCTION CASING CEMENT TOP VERIFICATION BY CBL REQUIRED.

3) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 50 FEET DEEP.

Attachment Check List

Att Doc Num	Name
1638174	CORRESPONDENCE
400256073	FORM 2 SUBMITTED
400264180	LEGAL/LEASE DESCRIPTION
400264868	WELL LOCATION PLAT
400264871	DEVIATED DRILLING PLAN
400264873	DEVIATED DRILLING PLAN
400265065	30 DAY NOTICE LETTER
400265195	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Advised oper. of rig height COA.	5/1/2012 2:57:42 PM
Permit	LGD & pub. comments waived, Final Review--passed.	5/1/2012 1:32:38 PM
Permit	Comment Period extended 10 days to April 26 per request by Jeff Madison, Rio Blanco County LGD	4/10/2012 7:46:59 AM
Permit	Operator input 2b and attached a new directional template.	3/27/2012 9:32:45 AM
Permit	Returned to draft at operators request.	3/27/2012 9:04:45 AM
Permit	Returned to draft. Missing 2b and directional template does not match deviated drill plan.	3/27/2012 7:38:10 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)