

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

2288448

Date Received:

04/30/2012

PluggingBond SuretyID

19960010

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 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: HOLTON Well Number: 31-12

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

9. Proposed Total Measured Depth: 7180

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 12 Twp: 6N Rng: 65W Meridian: 6

Latitude: 40.505940 Longitude: -104.608760

Footage at Surface: 660 feet FNL/FSL 1980 feet FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4714 13. County: WELD

14. GPS Data:

Date of Measurement: 12/20/2011 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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 660 ft

18. Distance to nearest property line: 265 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1311 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	381-5	80	W/2 NE/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):

W/2 NE/4 SEC 12-T6N-R65W 6TH PM

25. Distance to Nearest Mineral Lease Line: 660 ft

26. Total Acres in Lease: 80

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	600	250	600	0
1ST	7+7/8	4+1/2	11.6	0	7,180	500	7,180	0

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

33. Comments No conductor casing 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: DAVID M. BLANDFORD

Title: CO-MANAGER Date: 4/12/2012 Email: ANDELEENERGY@GMAIL.CO

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: 6/15/2012

API NUMBER

05 123 35776 00

Permit Number: _____ Expiration Date: 6/14/2014

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 as per amended Rule 318Ae(4)

- 1) Provide 48 hour notice of MIRU via an electronic Form 42.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara and from 200' below Parkman to 200' above Parkman. Verify coverage with a cement bond log.

Attachment Check List

Att Doc Num	Name
2288448	FORM 2 SUBMITTED
2288449	WELL LOCATION PLAT
2288450	TOPO MAP
2288451	30 DAY NOTICE LETTER
2481622	SURFACE CASING CHECK

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	6/12/2012 8:37:02 AM
Permit	On hold for distance to the nearest property line discrepancy from 2A (12'), or 265'.	5/15/2012 11:53:23 AM
Permit	Operator emailed changes to be made to zone type, plugging bond, surface bond, and the conductor casing. Changes were made and the form has passed completeness.	5/9/2012 9:46:10 AM
Permit	Single or multiple zones? Commingled? Missing plugging bond. Invalid surface bond. Is conductor casing going to be used? Sent operator email 5/2/12.	5/2/2012 1:52:44 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)