

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER AND GAS
SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

3. Name of Operator: APOLLO OPERATING LLC 4. COGCC Operator Number: 10051
5. Address: 1538 WAZEE ST STE 200
City: DENVER State: CO Zip: 80202
6. Contact Name: TANYA CARPIO Phone: (303)830-0888 Fax: (303)830-2818
Email: TCARPIO@APOLLOOPERATING.COM
7. Well Name: JWHS Well Number: 31-2D
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 7750

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 2 Twp: 3N Rng: 68W Meridian: 6
Latitude: 40.257250 Longitude: -104.972670
Footage at Surface: 1996 feet FNL 2006 feet FWL
11. Field Name: WATTENBERG Field Number: 90750
12. Ground Elevation: 4999 13. County: WELD

14. GPS Data:
Date of Measurement: 05/22/2012 PDOP Reading: 1.8 Instrument Operator's Name: ADAM KELLY

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
699 FNL 2005 FEL 699 FNL 2005 FEL
Sec: 2 Twp: 3N Rng: 68W Sec: 2 Twp: 3N 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: 795 ft
18. Distance to nearest property line: 262 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1300 ft

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	80	W/2NE/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#: 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):

W/2NE/4, SECTION 2, TOWNSHIP 3 NORTH, RANGE 68 WEST

25. Distance to Nearest Mineral Lease Line: 262 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: 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	11	8+5/8	24	0	880	640	880	0
1ST	7+7/8	4+1/2	11.6	0	7,750	545	7,750	3,150

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

33. Comments NO CONDUCTOR WILL BE USED. ADDING TWO WELLS TO EXISTING STEFFES 22-2 WELL PAD.

34. Location ID: 424020

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: 6/11/2012 Email: TCARPIO@APOLLOOPERATI

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: [Signature] Director of COGCC Date: 7/6/2012

Permit Number: _____ Expiration Date: 7/5/2014

API NUMBER
05 123 35822 00

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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 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.

Attachment Check List

Att Doc Num	Name
400294524	FORM 2 SUBMITTED
400294533	WELL LOCATION PLAT
400294534	DEVIATED DRILLING PLAN
400294539	SURFACE AGRMT/SURETY
400294543	LEASE MAP
400294624	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	7/6/2012 11:03:03 AM
Permit	changed distance to nearest well from 20' to 1300' per operator. ok to pass.	6/18/2012 1:27:21 PM
Permit	ON HOLD: requesting change to distance to nearest well from 20' to 1300'.	6/18/2012 12:00:56 PM
Permit	Operator added directional template.	6/12/2012 9:08:06 AM
Permit	Returned to draft for directional template.	6/12/2012 8:45:00 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)