

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:

400383642

Date Received:

02/26/2013

PluggingBond SuretyID

20060105

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 LLC4. COGCC Operator Number: 100515. Address: 1538 WAZEE ST STE 200City: DENVER State: CO Zip: 802026. Contact Name: TANYA CARPIO Phone: (303)830-0888 Fax: (303)830-2818Email: TCARPIO@APOLLOOPERATING.COM7. Well Name: MARKHAM Well Number: 44-32D

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

9. Proposed Total Measured Depth: 7837

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 32 Twp: 4N Rng: 68W Meridian: 6Latitude: 40.266100 Longitude: -105.018340Footage at Surface: 1382 feet FNL/FSL 181 feet FEL/FWL FEL11. Field Name: WATTENBERG Field Number: 9075012. Ground Elevation: 5061 13. County: WELD

14. GPS Data:

Date of Measurement: 02/13/2013 PDOP Reading: 1.8 Instrument Operator's Name: ADAM KELLY15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: FNL/FSL 664 FSL 660 FEL 664 FEL 660 FEL 660 FEL 660
Sec: 32 Twp: 4N Rng: 68W Sec: 32 Twp: 4N Rng: 68W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 175 ft18. Distance to nearest property line: 181 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 843 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 | 407-87 | 80 | E/2SE/4 |

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 MINERAL LEASE DESCRIPTION

25. Distance to Nearest Mineral Lease Line: 660 ft

26. Total Acres in Lease: 316

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 | 690 | 275 | 690 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,750 | 525 | 7,750 | 3,000 |

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

33. Comments NO CONDUCTOR WILL BE USED. DISTANCE TO NEAREST WELL PERMITTED/COMPLETED IS TO THE MAJESTIC TURF FARMS 45-32. DISTANCE TO NEAREST MINERAL LEASE LINE WAS MEASURED FROM BOTTOM HOLE LOCATION.

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: 2/26/2013

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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Data retrieval failed for the subreport 'IntPolicy_NTO' located at: W:\Instrub\Net\Reports\policy_nto.rdl. Please check th

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400383642 | FORM 2 SUBMITTED |
| 400383653 | WELL LOCATION PLAT |
| 400383654 | MINERAL LEASE MAP |
| 400383657 | EXCEPTION LOC WAIVERS |
| 400383658 | EXCEPTION LOC REQUEST |
| 400385211 | DIRECTIONAL DATA |
| 400385212 | DEVIATED DRILLING PLAN |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|---|
| Drilling/Completion Operations | The rig being used to drill the Markham 44-32D well will not exceed a height of 116'. |

Total: 1 comment(s)