

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:

400383483

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 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: MARKHAM Well Number: 33-32D

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

9. Proposed Total Measured Depth: 8120

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 32 Twp: 4N Rng: 68W Meridian: 6
Latitude: 40.266150 Longitude: -105.018340

Footage at Surface: 1402 feet FSL 181 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5061 13. County: WELD

14. GPS Data:

Date of Measurement: 02/13/2013 PDOP Reading: 2.0 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
1988 FSL 1982 FEL 1988 FSL 1982 FEL
Sec: 32 Twp: 4N Rng: 68W Sec: 32 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: 175 ft

18. Distance to nearest property line: 181 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1015 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	W/2SE/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):
 SEE ATTACHED MINERAL LEASE DESCRIPTION

25. Distance to Nearest Mineral Lease Line: 652 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	7,775	525	7,775	3,500

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 MEASURED FROM MAJESTIC TURF FARMS 45-32. DISTANCE TO THE NEAREST MINERAL LEASE LINE IS MEASURED FROM THE 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

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: *Matthew Lee* Director of COGCC Date: 3/30/2013

API NUMBER Permit Number: _____ Expiration Date: 3/29/2015
 05 123 37071 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.

- 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.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400383483	FORM 2 SUBMITTED
400383575	WELL LOCATION PLAT
400383622	MINERAL LEASE MAP
400383626	EXCEPTION LOC WAIVERS
400383627	EXCEPTION LOC REQUEST
400385198	DIRECTIONAL DATA
400385199	DEVIATED DRILLING PLAN

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	3/28/2013 9:48:30 AM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.	2/27/2013 4:32:40 PM
Permit	Operator corrected measured depth and lease description. This form has passed completeness.	2/27/2013 10:24:59 AM
Permit	Returned to draft. Total measured depth does not match deviated drilling plan and lease description does not match acreage.	2/27/2013 6:18:07 AM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	The Rig used to drill the Markham 33-32D will not exceed a height of 116'.

Total: 1 comment(s)