

FORM
2
Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



DE ET OE ES

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
2584050
Plugging Bond Surety
19960010

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 BLANDFORD Phone: (970)247-1959 Fax: (970)247-2359
Email: ANDELEENERGY@GMAIL.COM

7. Well Name: MORO FARMS Well Number: CNE-29

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

9. Proposed Total Measured Depth: 7380

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 29 Twp: 6N Rng: 65W Meridian: 6
Latitude: 40.463570 Longitude: -104.680110

Footage at Surface: 660 FNL/FSL FNL 680 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4709 13. County: WELD

14. GPS Data:

Date of Measurement: 04/02/2010 PDOP Reading: 2.0 Instrument Operator's Name: R. GABRIEL

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1300 FNL 1300 FEL 1300 FEL 1300 FEL
Sec: 29 Twp: 6N Rng: 65W Sec: 29 Twp: 6N Rng: 65W

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: 660 ft 19. Distance to nearest well permitted/completed in the same formation: 933 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	160	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 Bon \$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):
 NENE SEC 29-T6N-R65W

25. Distance to Nearest Mineral Lease Line: 34 ft 26. Total Acres in Lease: 40

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite
 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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	12+1/4	8+5/8	24	560	175	560	0
1ST	7+7/8	4+1/2	11.6	7,380	500	7,380	0

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

33. Comments CONDUCTOR CASING WILL NOT 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: 8/17/2010 Email: ANDELEENERGY@GMAIL.CO

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: David S. Nashin Director of COGCC Date: 9/21/2010

API NUMBER
 05 123 32231 00

Permit Number: _____ Expiration Date: 9/20/2012

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) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us
- 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.

Attachment Check List

Att Doc Num	Name	Doc Description
2569159	TOPO MAP	LF@2531514 2569159
2584050	APD ORIGINAL	LF@2531448 2584050
2584051	WELL LOCATION PLAT	LF@2531449 2584051
2584052	SURFACE AGRMT/SURETY	LF@2531450 2584052
2584053	DEVIATED DRILLING PLAN	LF@2531451 2584053
2584054	WAIVERS	LF@2531452 2584054

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	outside the window waiver not necessary	9/21/2010 1:52:49 PM
Permit	bonding updated	9/21/2010 1:51:49 PM
Permit	Bonding insufficient; operator working on updating plugging bond.	9/10/2010 9:16:05 AM
Permit	Plugging B ond added w/permission from Opr-David	8/31/2010 11:15:21 AM

Total: 4 comment(s)

Error: Subreport could not be shown.