

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		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%;">DE</td> <td style="width:25%;">ET</td> <td style="width:25%;">OE</td> <td style="width:25%;">ES</td> </tr> </table>	DE	ET	OE	ES
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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:

1635993

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

7. Well Name: KUETTEL Well Number: 14-10-25

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

9. Proposed Total Measured Depth: 7319

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 10 Twp: 5N Rng: 65W Meridian: 6
 Latitude: 40.407710 Longitude: -104.655250

Footage at Surface: 442 feet FSL 1016 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4645 13. County: WELD

14. GPS Data:
 Date of Measurement: 02/15/2011 PDOP Reading: 2.5 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
100 FSL 100 FWL 100 FSL 100 FWL
 Sec: 10 Twp: 5N Rng: 65W Sec: 10 Twp: 5N 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: 301 ft

18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation: 850 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	405	160	GWA

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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):
SWSW SEC 10, SESE SEC 9, NWNW SEC 15, NENE SEC 16-T5N-R65W, 6TH PM
25. Distance to Nearest Mineral Lease Line: 1221 ft 26. Total Acres in Lease: 160

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	400	200	400	0
1ST	7+7/8	4+1/2	11.6	0	7,319	500	7,319	0

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments Matrix energy requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Surface owner waiver attached. Waivers pertaining to high density offsets are attached. Proposed spacing unit is SWSW sec 10; SESE sec 9; NENE sec 16, NWNW sec 15. Conductor casing will not be used.

34. Location ID: 311491
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: 5/12/2011 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. Nesline Director of COGCC Date: 6/29/2011

API NUMBER
05 123 33762 00
Permit Number: _____ Expiration Date: 6/28/2013
CONDITIONS OF APPROVAL, IF ANY:

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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 Bo Brown via e-mail at bo.brown@state.co.us.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above the Niobrara and from 200' below Sussex to 200' above Sussex. 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
1635993	APD ORIGINAL
1635994	WELL LOCATION PLAT
1635995	TOPO MAP
1635996	SURFACE AGRMT/SURETY
1635997	DEVIATED DRILLING PLAN
1635998	EXCEPTION LOC REQUEST
1635999	WAIVERS
1771036	SURFACE CASING CHECK
2530742	PROPOSED SPACING UNIT
2530822	CORRESPONDENCE

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received notification that no objection to proposed spacing was filed. Attached. Proposed spacing unit attached.	6/28/2011 9:03:39 AM
Permit	Received notification that no objection to proposed spacing was filed. Attached. Proposed spacing unit attached.	6/28/2011 9:02:16 AM
Permit	Updated permit with proposed spacing unit attachments. Waiting for 20 day to expire and a letter saying no objections were filed.	6/13/2011 7:04:11 AM
Permit	Will conductor casing be used?	5/24/2011 2:49:24 PM
Permit	On hold waiting for proposed spacing unit letter and spacing unit map.	5/24/2011 1:50:19 PM
Permit	Added plugging bond, location id, corrected zone type as per conversation with Opr-David. Also corrected forms related. sf	5/19/2011 1:02:11 PM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)