

<b>FORM</b> <b>2</b> Rev 12/05	State of Colorado <b>Oil and Gas Conservation Commission</b> 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:

1635976

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: 14-10-24

8. Unit Name (if appl): \_\_\_\_\_      Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 7198

**WELL LOCATION INFORMATION**

10. QtrQtr: SWSW      Sec: 10      Twp: 5N      Rng: 65W      Meridian: 6  
 Latitude: 40.407640      Longitude: -104.655250

Footage at Surface:      417      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: 2.1      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  
97      FSL      1323      FWL      97      FSL      1323      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: 175 ft      19. Distance to nearest well permitted/completed in the same formation: 860 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.)
NIORARA-CODELL	NB-CD	407	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):  
SESW & SWSW SEC 10, NWNW & NENW SEC 15-T5N-R65W

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	7,189	500	7,198	0

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

33. Comments Matric 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 setbacks attached. Proposed spacing unit is S/2SW4 sec 10; N/2NW4 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 33763 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
1635976	APD ORIGINAL
1635977	WELL LOCATION PLAT
1635978	TOPO MAP
1635979	SURFACE AGRMT/SURETY
1635980	DEVIATED DRILLING PLAN
1635981	EXCEPTION LOC REQUEST
1635982	WAIVERS
1771036	SURFACE CASING CHECK
2530743	PROPOSED SPACING UNIT
2530820	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.	6/28/2011 8:48:49 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 7:04:41 AM
Permit	Will conductor casing be used?	5/24/2011 2:50:04 PM
Permit	Is lease description actually the proposed spacing unit?	5/24/2011 2:18:34 PM
Permit	On hold waiting for proposed spacing unit letter and spacing unit map.	5/24/2011 2:00:32 PM
Permit	Corrected zone type, added plugging bond id & location id, and corrected forms related as per conversation with opr-David. sf	5/19/2011 1:12:31 PM

Total: 6 comment(s)

**BMP**

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

Total: 0 comment(s)