

<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		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 AND GAS  
 SINGLE ZONE       MULTIPLE ZONE       COMMINGLE ZONE

Refiling   
 Sidetrack

Document Number:  
 400172158  
 Plugging Bond Surety  
 20060105

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 X.      Fax: (303)830-2818  
 Email: TCARPIO@APOLLOOPERATING.COM  
 7. Well Name: MARGIL FARMS      Well Number: 12-2D  
 8. Unit Name (if appl): \_\_\_\_\_      Unit Number: \_\_\_\_\_  
 9. Proposed Total Measured Depth: 7706

**WELL LOCATION INFORMATION**

10. QtrQtr: SWNW      Sec: 2      Twp: 3N      Rng: 68W      Meridian: 6  
 Latitude: 40.258370      Longitude: -104.977270  
 Footage at Surface:      1569 feet      FNL      723 feet      FWL  
 11. Field Name: WATTENBERG      Field Number: 90750  
 12. Ground Elevation: 5014      13. County: WELD

14. GPS Data:  
 Date of Measurement: 05/06/2011      PDOP Reading: 1.6      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  
2046      FNL      666      FWL      2046      FNL      666      FWL  
 Sec: 2      Twp: 3N      Rng: 68W      Sec: 2      Twp: 3N      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: 396 ft  
 18. Distance to nearest property line: 155 ft      19. Distance to nearest well permitted/completed in the same formation: 3081 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.)
CODELL-NIOBRARA	NB-CD	407-87	80	S/2NW/4

**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):  
SEE ATTACHED MINERAL LEASE DESCRIPTION  
25. Distance to Nearest Mineral Lease Line: 155 ft 26. Total Acres in Lease: 92

**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	900	275	900	0
1ST	7+7/8	4+1/2	11.6	0	7,706	1,150	7,706	0

32. BOP Equipment Type:  Annular Preventer  Double Ram  Rotating Head  None  
33. Comments NO CONDUCTOR WILL 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: TANYA CARPIO  
Title: OFFICE MANAGER Date: 6/7/2011 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: David S. Nesline Director of COGCC Date: 6/30/2011

API NUMBER: **05 123 33840 00** Permit Number: \_\_\_\_\_ Expiration Date: 6/29/2013

**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) Note surface casing setting depth change from 400' to 900'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) 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
1694152	EXCEPTION LOC REQUEST
1694153	EXCEPTION LOC WAIVERS
1771321	SURFACE CASING CHECK
400172158	FORM 2 SUBMITTED
400172176	WELL LOCATION PLAT
400172204	MINERAL LEASE MAP
400172205	DEVIATED DRILLING PLAN
400172206	LEGAL/LEASE DESCRIPTION

Total Attach: 8 Files

**General Comments**

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received Exception Location Request letter and Waivers.	6/21/2011 1:04:14 PM
Permit	ON HOLD: Requesting an Exception Location Request letter and Waivers.	6/15/2011 2:07:02 PM

Total: 2 comment(s)

**BMP**

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

Total: 0 comment(s)