

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:

1635922

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: VARRA Well Number: 43-9-11

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

9. Proposed Total Measured Depth: 7192

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 9 Twp: 5N Rng: 65W Meridian: 6
 Latitude: 40.414510 Longitude: -104.659820

Footage at Surface: _____ feet FNL/FSL _____ feet FEL/FWL
2370 FSL 245 FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4625 13. County: WELD

14. GPS Data:
 Date of Measurement: 02/15/2011 PDOP Reading: 2.0 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
2550 FSL 100 FEL 2550 FSL 100 FEL
 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: 240 ft

18. Distance to nearest property line: 295 ft 19. Distance to nearest well permitted/completed in the same formation: 893 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	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):
 SENE & NESE SEC 9 T5N-R65W & SWNW & NWSW SEC 10-T5N-R65W

25. Distance to Nearest Mineral Lease Line: 1225 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	7,192	500	7,192	0

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

33. Comments The proposed spacing unit is: SENE & NESE SEC 9 & SWNW & NWSW SEC 10. No conductor casing will be used.

34. Location ID: 333228

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: 4/27/2011 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. Neslin Director of COGCC Date: 7/5/2011

API NUMBER 05 123 33863 00	Permit Number: _____ Expiration Date: <u>7/4/2013</u>
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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. 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
1635922	APD ORIGINAL
1635923	WELL LOCATION PLAT
1635924	TOPO MAP
1635925	SURFACE AGRMT/SURETY
1635926	DEVIATED DRILLING PLAN
1635927	EXCEPTION LOC REQUEST
1635928	WAIVERS
1771030	SURFACE CASING CHECK
2530745	PROPOSED SPACING UNIT
2530819	CORRESPONDENCE

Total Attach: 10 Files

General Comments

User Group	Comment	Comment Date
Permit	Received notification that no objection to proposed spacing was filed. Attached.	6/28/2011 8:43:35 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 6:57:24 AM
Permit	Will the 2A in related documents be the one used?	5/19/2011 3:40:02 PM
Permit	On hold waiting on proposed spacing unit attachments.	5/19/2011 3:37:53 PM
Permit	Added plugging bond ID, location ID & corrected zone type as per conversation with Opr-David. sf	5/19/2011 10:19:58 AM

Total: 5 comment(s)

BMP

Type	Comment

Total: 0 comment(s)