

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 AND GAS
 SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
 Sidetrack

Document Number:

400166378

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: MARKHAM FAMILY FARMS Well Number: 24-32D

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

9. Proposed Total Measured Depth: 7766

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 32 Twp: 4N Rng: 68W Meridian: 6
 Latitude: 40.266050 Longitude: -105.031470

Footage at Surface: 1430 feet FSL 1440 feet FWL
FNL/FSL FEL/FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5038 13. County: WELD

14. GPS Data:
 Date of Measurement: 04/21/2011 PDOP Reading: 1.4 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
662 FSL 1982 FWL 662 FSL 1982 FWL
 Sec: 32 Twp: 4N Rng: 68W Sec: 32 Twp: 4N 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: 755 ft

18. Distance to nearest property line: 714 ft 19. Distance to nearest well permitted/completed in the same formation: 2739 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	407-87	80	E/2SW/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 AND MINERAL LEASE MAP.
25. Distance to Nearest Mineral Lease Line: 714 ft 26. Total Acres in Lease: 250

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	650	275	650	
1ST	7+7/8	4+1/2	11.6	0	7,766	525	7,766	3,000

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: 5/18/2011 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. Neslin Director of COGCC Date: 7/5/2011

API NUMBER 05 123 33871 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) Note surface casing setting depth change from 400' to 650'. 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
1694104	LEASE MAP
1771151	SURFACE CASING CHECK
400166378	FORM 2 SUBMITTED
400166443	WELL LOCATION PLAT
400166446	MINERAL LEASE MAP
400166449	LEGAL/LEASE DESCRIPTION
400166452	DEVIATED DRILLING PLAN

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Added corrected Mineral Lease Map.	6/3/2011 9:41:42 AM

Total: 1 comment(s)

BMP

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

Total: 0 comment(s)