

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400385139

Date Received:

04/22/2013

PluggingBond SuretyID

20120004

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
 SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒

Refiling ☐Sidetrack ☐

3. Name of Operator: MAK-J ENERGY COLORADO LLC

4. COGCC Operator Number: 10401

5. Address: 1600 N BROADWAY, SUITE 1740

City: DENVER State: CO Zip: 80202

6. Contact Name: Dawn G. Meek Phone: (303)339-5877 Fax: (303)468-0093

Email: dmeek@makjenergy.com

7. Well Name: McCoy Well Number: 12-33

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

9. Proposed Total Measured Depth: 8100

WELL LOCATION INFORMATION

10. QtrQtr: NW/NW Sec: 33 Twp: 4N Rng: 68W Meridian: 6

Latitude: 40.274500 Longitude: -105.016890

Footage at Surface: 866 feet FNL 231 feet FEL/FWL
 FNL/FSL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5026 13. County: WELD

14. GPS Data:

Date of Measurement: 12/11/2012 PDOP Reading: 1.9 Instrument Operator's Name: Brian Brinkman

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
 1980 FNL 660 FWL 1980 FNL 660 FWL
 Sec: 33 Twp: 4N Rng: 68W Sec: 33 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: 221 ft

18. Distance to nearest property line: 231 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 909 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.)
Codell	CODL	407-87	80	W/2NW/4
J-Sand	JSND		80	W/2NW/4
Niobrara	NBRR	407-87	80	W/2NW/4

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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):

lease description - W/2 Sec 33, T4N, R68W, less and except a 2.9 acre tract in the SWSW corner of Section 33, "as depicted on the enclosed mineral lease plat"

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 317

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	665	450	665	0
1ST	7+7/8	4+1/2	11.6	0	8,100	400	8,100	6,800

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

33. Comments MAK-J has attached the mineral lease plat for the wells located on the McCoy Pad 11-33. No conductor casing will be set on well.

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: Peter R. Mounsey

Title: CEO Date: 4/22/2013 Email: pmounsey@makjenergy.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: Matthew Lee Director of COGCC Date: 5/17/2013

API NUMBER

05 123 37351 00

Permit Number: _____ Expiration Date: 5/16/2015

CONDITIONS OF APPROVAL, IF ANY:

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.

Operator must meet Water Well Testing requirements as per amended Rule 318Ae(4)

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400385139	FORM 2 SUBMITTED
400385144	DIRECTIONAL DATA
400385145	PLAT
400405563	DEVIATED DRILLING PLAN
400405947	MINERAL LEASE MAP
400405948	EXCEPTION LOC WAIVERS
400405951	EXCEPTION LOC REQUEST
400405952	SURFACE AGRMT/SURETY

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected TPZ as per opr. Final review complete.	5/16/2013 10:11:45 AM
Engineer	TPZ & BHL don't agree with directional plan - both FNL?	5/7/2013 12:24:54 PM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached. Ready to pass pending public comment 5/14/13.	4/23/2013 11:17:41 AM
Permit	Passed completeness.	4/23/2013 5:27:03 AM

Total: 4 comment(s)

BMP

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