

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:

400384973

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: 21-33

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

9. Proposed Total Measured Depth: 8250

WELL LOCATION INFORMATION

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

Latitude: 40.274670 Longitude: -105.016890

Footage at Surface: 806 feet FNL 231 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5029 13. County: WELD

14. GPS Data:

Date of Measurement: 12/11/2012 PDOP Reading: 2.1 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
660 FNL 1980 FWL 660 FNL 1980 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): 918 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	E/2NW/4
J-Sand	JSND		80	E/2NW/4
Niobrara	NBRR	407-87	80	E/2NW/4

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):

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	8,250	400	8,250	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 the 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 37355 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.

- 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.

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400384973	FORM 2 SUBMITTED
400384981	DIRECTIONAL DATA
400384984	PLAT
400405435	DEVIATED DRILLING PLAN
400405921	MINERAL LEASE MAP
400405923	EXCEPTION LOC REQUEST
400405924	EXCEPTION LOC WAIVERS
400405925	SURFACE AGRMT/SURETY

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review complete.	5/16/2013 9:59:40 AM
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. Corrected spacing to E/2 NW/4 as per opr. Ready to pass pending public comment 5/14/13.	4/23/2013 11:19:45 AM
Permit	Passed completeness.	4/23/2013 5:19:06 AM

Total: 3 comment(s)

BMP

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