

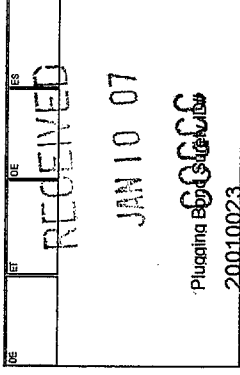
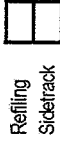
State of Colorado
Oil and Gas Conservation Commission

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

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL
-
- OIL
- ☒
- GAS
- ☐
- COALBED
- ☐
- OTHER:
- ☐
-
- SINGLE ZONE
- ☐
- MULTIPLE ZONES
- ☒
- COMMINGLED ZONES
- ☒

Plugging Bond
20010023

3. Name of Operator: K.P. Kauffman Company, Inc.	4. COGCC Operator Number: 46290	Complete the Attachment Checklist
5. Address: 1675 Broadway, 28th Floor		OP <input checked="" type="checkbox"/>
City: Denver	State: CO Zip: 80202	APD Orig & 1 Copy <input checked="" type="checkbox"/>
Contact Name: Sherry E. Glass	Phone: (303) 825-4822 Fax: (303) 825-4825	Form 2A <input checked="" type="checkbox"/>
Well Name: RML	Well Number: 8-13-A1	Well location plat <input checked="" type="checkbox"/>
Unit Name (if appl):	Unit Number:	Topo map <input checked="" type="checkbox"/>
Proposed Total Measured Depth: 7350' 800'		Mineral lease map <input checked="" type="checkbox"/>
		Surface agmt/Surety <input checked="" type="checkbox"/>
		30 Day notice letter <input checked="" type="checkbox"/>
		Deviated Drilling Plan <input checked="" type="checkbox"/>
		Exception Location Request <input checked="" type="checkbox"/>
		Exception Loc Waivers <input checked="" type="checkbox"/>
		H2S Contingency Plan <input checked="" type="checkbox"/>
		Federal Drilling Permit <input type="checkbox"/>

14. GPS Data:	Instrument Operator's Name: J. Rhoten	
Date of Measurement: 12-12-06	PDOP Reading: 1.8	
15. If well is: <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated), submit deviated drilling plan.	Bottomhole Sec Two Ring: Sec. 8-T4N-R66W	
Footage At Top of Prod Zone: 1534' 1562' S	160' 124' S	153' 154' 2' S
16. Is location in a high density area (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	17. Distance to the nearest building, public road, above ground utility or railroad: 741'	18. Distance to Nearest Property Line: 741'
19. Distance to nearest well permitted/completed in the same formation: 50' 618		

LEASE, SPACING AND POOLING INFORMATION			
Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well
Niobrara-Codell	NB-CD	407' 318' 232'	160 ac
J-Sand	JSND		320 ac
21. Mineral Ownership: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian			Lease #
22. Surface Ownership: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian			
23. Is the Surface Owner also the Mineral Owner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			Surface Surety ID# 20010024
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
23b. If 23 is No: <input type="checkbox"/> Surface Owners Agreement Attached or <input checked="" type="checkbox"/> \$25,000 Blanket Surface Bond			\$2,000 Surface Bond
24. Using standard QtrQtr, Sec, Twp, Ring format enter entire mineral lease description upon which this proposed well/site is located (attach separate sheet/map if you prefer): S/2 NW1/4, N/2 SW1/4, SW1/4SW1/4 section 8-T4N-R66W			
25. Distance to Nearest Mineral Lease Line: 741' 124'	26. Total Acres in Lease: 200 ac		

27. Is H2S anticipated? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes, attach contingency plan.
28. Will salt sections be encountered during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
30. If questions 27 or 28 are Yes, is this location in a sensitive area (Rule 903)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If 28, 29 or 30 are "Yes" a pit permit may be required.
31. Mud disposal: <input checked="" type="checkbox"/> Offsite <input type="checkbox"/> Onsite	
Method: <input checked="" type="checkbox"/> Land Farming <input type="checkbox"/> Land Spreading <input type="checkbox"/> Disposal Facility	
NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905a.) If air/gas drilling, notify local fire officials.	

Sitting	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12-1/4"	8-5/8"	24#	390' 400'	375 242	390' 400'	surface
Production	7-7/8"	4-1/2"	11.5#	7350' 8000'	350 614	7350' 8000'	
32. BOP Equipment Type: <input checked="" type="checkbox"/> Annular Preventor <input type="checkbox"/> Double Ram <input type="checkbox"/> Rotating Head <input type="checkbox"/> None							
33. Comments							

34. Initial Rule 306 Consultation took place on (date) 11-3-06, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.

PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.

I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed:

Sherry Glass

Print Name:

Sherry Glass

Title: Engineering Technician

Date: 1-3-07

Email: sglass@kpk.com

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:

Sherry Glass

Director of COGCC

Date: 2-20-07

Permit Number:

20070107

Expiration Date:

2-19-08

API NUMBER

05/23-24830-00

CONDITIONS OF APPROVAL, IF ANY:

- 1) Set a minimum of 400' of surface casing. Cement to surface. 2) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Shannon. Verify coverage with cement bond log. 4) Run and submit Directional Survey from TD to base of surface casing.