

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



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| DE | ET | OE | ES |
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Document Number:

400057638

Plugging Bond Surety

20010023

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 ☐

3. Name of Operator: K P KAUFFMAN COMPANY INC

4. COGCC Operator Number: 46290

5. Address: 1675 BROADWAY, STE 2800

City: DENVER State: CO Zip: 80202

6. Contact Name: Sherry Glass Phone: (303)825-4822 Fax: (303)825-4825

Email: sglass@kpk.com

7. Well Name: McCarty Well Number: #10-21-23

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

9. Proposed Total Measured Depth: 8147

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 21 Twp: 4N Rng: 67W Meridian: 6

Latitude: 40.295950 Longitude: -104.893100

Footage at Surface: 1786 FNL/FSL FSL 1895 FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4914 13. County: WELD

14. GPS Data:

Date of Measurement: 02/23/2007 PDOP Reading: 6.0 Instrument Operator's Name: Kipper Goldsberry

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1320 FSL 2500 FEL 1320 FEL/FWL 2500 FEL
Sec: 21 Twp: 4N Rng: 67W Sec: 21 Twp: 4N Rng: 67W

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: 1786 ft

18. Distance to nearest property line: 783 ft 19. Distance to nearest well permitted/completed in the same formation: 654 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| J-sand | JSND | 232-23 | 160 | GWA |
| Niobrara-Codell | NB-CD | 407-87 | 160 | GWA |

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 Bon ☐ \$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):
SE/4 section 21-T4N-R67W

25. Distance to Nearest Mineral Lease Line: _____ 175 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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 8+5/8 | 24 | 700 | 415 | 711 | |
| 1ST | 7+7/8 | 4+1/2 | 11.5 | 8,147 | 750 | 8,147 | |

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

33. Comments No conductor casing will be used. SUA attached. Offset to McCarty #10-21, API#05-123-26729. Proposed GWA Spacing Unit: W2SE; E2SW

34. Location ID: _____ 332815

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: Sherry Glass

Title: Engineering Technician Date: 4/29/2010 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: David S. Neslin Director of COGCC Date: 5/27/2010

API NUMBER

05 123 26720 00

Permit Number: _____ Expiration Date: 5/26/2012

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) Provide 24 hour notice of MIRU to Bo Brown at 970-330-6085 or 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 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 | Doc Description |
|-------------|------------------------|----------------------|
| 400057638 | FORM 2 SUBMITTED | LF@2460273 400057638 |
| 400057654 | TOPO MAP | LF@2460274 400057654 |
| 400058448 | PLAT | LF@2460275 400058448 |
| 400058449 | LEASE MAP | LF@2460276 400058449 |
| 400058451 | 30 DAY NOTICE LETTER | LF@2460277 400058451 |
| 400058452 | SURFACE AGRMT/SURETY | LF@2460278 400058452 |
| 400058453 | SURFACE AGRMT/SURETY | LF@2460279 400058453 |
| 400058454 | UNIT CONFIGURATION MAP | LF@2460280 400058454 |
| 400058455 | DEVIATED DRILLING PLAN | LF@2460281 400058455 |
| 400058456 | PROPOSED SPACING UNIT | LF@2460282 400058456 |

Total Attach: 10 Files