

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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APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER CO2
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refilling
Sidetrack

Document Number:
2557673
Plugging Bond Surety
20080058

3. Name of Operator: KINDER MORGAN CO2 CO LP 4. COGCC Operator Number: 46685

5. Address: 17801 HWY 491
City: CORTEZ State: CO Zip: 81321

6. Contact Name: BOB CLAYTON Phone: (970)882-5507 Fax: (970)882-5521
Email: BOB_CLAYTON@KINDERMORGAN.COM

7. Well Name: MCELMO DOME UNIT 31-37-17 Well Number: MC-5

8. Unit Name (if appl): MCELMO DOME Unit Number: 047653X

9. Proposed Total Measured Depth: 10142

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 31 Twp: 37N Rng: 17W Meridian: N
Latitude: 37.416740 Longitude: -108.767181

Footage at Surface: 1380 FNL/FSL FSL 1929 FEL/FWL FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6765 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 04/16/2010 PDOP Reading: 3.5 Instrument Operator's Name: R.J. CAFFEY

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

Footage at Top of Prod Zone: FNL/FSL 1380 FSL 1929 FWL FWL Bottom Hole: FNL/FSL 2501 FNL 1971 FEL/FWL FEL
Sec: 31 Twp: 37N Rng: 17W Sec: 31 Twp: 37N Rng: 17W

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: 1100 ft

18. Distance to nearest property line: 606 ft 19. Distance to nearest well permitted/completed in the same formation: 1700 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.)
LEADVILLE	LDVLL	389-1		

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):
SEE ATTACHED LEASES.

25. Distance to Nearest Mineral Lease Line: 606 ft 26. Total Acres in Lease: 605

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: 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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
CONDUCTOR	20	16	65	109		109	0
SURF	14+3/4	10+3/4	40.5	2,851	1,550	2,851	0
1ST	9+1/2	7+5/8	26	8,044	2,190	8,044	0
OPEN HOLE	4+3/4			10,142			

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

33. Comments The pad has been built and the proposed sidetrack will not require any additional expansion or surface disturbance of the existing pad, a closed loop system will be utilized and no pit will be constructed; there is no variance from any of the rules listed in 306.d. (1) (A) (ii); this location is not located in a wildlife restricted surface occupancy area per Bob Clayton on 6-21-10 JLV

34. Location ID: 313534

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: BOB CLAYTON

Title: OPERATIONS SUPERVISOR Date: 6/1/2010 Email: BOB_CLAYTON@KINDERMO

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. Nesline Director of COGCC Date: 6/28/2010

Permit Number: _____ Expiration Date: 6/27/2011

API NUMBER

05 083 06438 01

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 48 hour notice of spud to COGCC field inspector Leslie Melton (970) 375-6419 or les.melton@state.co.us
- 2) The operator shall comply with Rule 321 and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 3) Run and submit Directional Survey for primary well bore and for each lateral section

Attachment Check List

Att Doc Num	Name	Doc Description
2557673	APD ORIGINAL	LF@2485346 2557673
2557674	30 DAY NOTICE LETTER	LF@2485348 2557674
2557675	WELL LOCATION PLAT	LF@2485350 2557675
2557676	OIL & GAS LEASE	LF@2485352 2557676
2557677	OIL & GAS LEASE	LF@2485354 2557677
2557678	DEVIATED DRILLING PLAN	LF@2485357 2557678

Total Attach: 6 Files