

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

Refiling   
Sidetrack

Document Number:  
2557666  
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: SANDY CANYON UNIT Well Number: 8

8. Unit Name (if appl): MCELMO DOME Unit Number: 47653X

9. Proposed Total Measured Depth: 9831

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 7 Twp: 36N Rng: 18W Meridian: N  
Latitude: 37.389680 Longitude: -108.872774

Footage at Surface: 1665 FNL/FSL FSL 2571 FEL/FWL FEL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6399 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 03/30/2010 PDOP Reading: 3.1 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 1665 FSL 2571 FEL 2571 FEL/FWL 335 FNL 2576 FEL 2576  
Sec: 18 Twp: 36N Rng: 18W Sec: 18 Twp: 36N Rng: 18W

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: 1200 ft

18. Distance to nearest property line: 1665 ft 19. Distance to nearest well permitted/completed in the same formation: 700 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 #: 12035&1973  
 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: 335 ft 26. Total Acres in Lease: 641

**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	102		102	0
SURF	14+3/4	10+3/4	40.5	2,982	1,900	2,982	0
1ST	9+7/8	7+5/8	26	7,758	3,350	7,758	0
OPEN HOLE	4+3/4			9,831			

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: 313556  
 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. Neslin Director of COGCC Date: 6/28/2010  
 Permit Number: \_\_\_\_\_ Expiration Date: 6/27/2011

**API NUMBER**

05 083 06527 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.

None - Federal

**Attachment Check List**

Att Doc Num	Name	Doc Description
2557666	APD ORIGINAL	LF@2485335 2557666
2557667	WELL LOCATION PLAT	LF@2485337 2557667
2557668	OTHER	LF@2485341 2557668
2557669	DEVIATED DRILLING PLAN	LF@2485342 2557669
2557670	OIL & GAS LEASE	LF@2485345 2557670

Total Attach: 5 Files