

# RECEIVED

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Form 3160-3  
(August 1999)

UNITED STATES **Bureau of Land Management**  
DEPARTMENT OF THE INTERIOR **Durango Colorado**  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No C-12039
1b Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other CO2 <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name ---
2 Name of Operator Kinder Morgan CO2 Company, L.P.		7 If Unit or CA Agreement, Name and No McElmo Dome Unit
3a Address 17801 Hwy 491		8 Lease Name and Well No Hovenweep HF #3
3b Phone No (include area code) 970 882-5517		9 API Well No HF #3 083-06646
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface 828' FNL & 84' FWL At proposed prod zone Leadville		10 Field and Pool, or Exploratory Leadville
14 Distance in miles and direction from nearest town or post office* Approximately 18 Miles North of Cortez		11 Sec, T, R, M, or Blk and Survey or Area Section 7 T.37N., R18W NMPM
15 Distance from proposed* location to nearest structures within property or lease line, ft 400' (Also to nearest drng unit line, if any)	16 No of Acres in lease	17 Spacing Unit dedicated to this well
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 1835' HF-1	19 Proposed Depth 8200'	20 BLM/BIA Bond No on file C01349
21 Elevations (Show whether DF, KDB, RT, GL, etc) 6421	22 Approximate date work will start* Rig Availability	23 Estimated duration 3-4 Weeks
24 Attachments <b>Sealing / Flaring approved for 30 days per NTL-4A</b>		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

- |   |  |
|---|--|
| 1 Well plat certified by a registered surveyor  | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)    |
| 2 A Drilling Plan   | 5 Operator certification   |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the authorized officer |

25 Signature 	Name (Printed/Typed) Jeanette M. Johnston	Date 4/28/2006
Title Business Supervisor		APPROVED FOR A PERIOD NOT TO EXCEED 1 YEAR
<div style="border: 2px solid black; padding: 5px; text-align: center;"> <b>SEE ATTACHED CONDITIONS OF APPROVAL</b> </div>		
Approved by (Signature) 	Name (Printed/Typed) Brian W. Davis	Date 12/20/06
Title Assistant Contracting Physical Resources Section		DEC 20 2006

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

\*(Instructions on reverse)

**OPERATOR'S COPY**

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto...