

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:
400113531
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: Paul Belanger Phone: (970)882-2464 Fax: (970)882-5521
Email: Paul_Belanger@kindermorgan.com

7. Well Name: YA Well Number: 5

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

9. Proposed Total Measured Depth: 8200

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 13 Twp: 37N Rng: 18W Meridian: N
Latitude: 37.469275 Longitude: -108.775433

Footage at Surface: 690 feet FNL 425 feet FEL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6638 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 11/17/2009 PDOP Reading: 3.0 Instrument Operator's Name: Gerald G. Huddleston

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

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

Sec: Twp: Rng: Sec: Twp: Rng:

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: 425 ft

18. Distance to nearest property line: 425 ft 19. Distance to nearest well permitted/completed in the same formation: 150 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	203234	

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 lease description attached

25. Distance to Nearest Mineral Lease Line: 690 ft 26. Total Acres in Lease: 840

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

Method: Land Farming Land Spreading Disposal Facility Other: de-water and cover

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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	14			80	40	80	0
SURF	12+1/4	9+5/8	36		2,852	800	2,852	0
1ST	8+3/4	7	29		7,960	1,770	7,960	0
OPEN HOLE	6				8,200	100	8,200	7,960

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

33. Comments I've inserted 2 wellbore diagrams - one of which is also the drilling plan; it does NOT show the pilot hole portion and thus we are submitting a second schematic wellbore diagram that shows the plan for the pilot hole for which a 6 inch open hole is drilled from 7960-8200'. The well is then logged, plugged back to casing and the horizontal then drilled based on log determinations as to where the Kickoff (KO) point is - and reported in the horizontal completion reports. See YA-5 form 1421372 for the original horizontal APD for API 05-083-06623-00 YA-5- horizontal well originally permitted and thus to be assigned the sidetrack -01 designation at a later time. The actual final borehole diagram and casing information will be submitted with the form 5 completion report.

34. Location ID: 313600

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: Paul E. Belanger

Title: Regulatory Contractor Date: 12/22/2010 Email: Paul_Belanger@KinderMorgan.

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: 2/27/2011

API NUMBER

05 083 06623 00

Permit Number: _____

Expiration Date: 2/26/2013**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.

This well was properly permitted with a form 2 in 2005. It was drilled to a depth of 8200' (see deviated drilling plan & OTHER in COGIS doc #'s 2553377 & 2553376, respectively) What is missing is a form 5 and 5A and quite possibly a sundry notice explaining why they did not drill to the originally planned TD of 9900 and what their future plans are for the well. It appears that the well has been TA since drilling in OCT 2005 and will need an MIT.

Attachment Check List

Att Doc Num	Name
400113531	FORM 2 SUBMITTED
400117161	H2S CONTINGENCY PLAN
400117162	UNIT CONFIGURATION MAP
400117163	WELLBORE DIAGRAM
400117164	30 DAY NOTICE LETTER
400117165	TOPO MAP
400117166	WELL LOCATION PLAT
400117167	DRILLING PLAN
400117168	OIL & GAS LEASE
400118750	WELLBORE DIAGRAM

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED- JLV	2/23/2011 1:28:43 PM
Permit	Change Suffix JLV The Pilot Hole suffix will be 00 and the Horizontal suffix will be 01. JLV	12/28/2010 3:18:05 PM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)