

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 _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:

400127145

Plugging Bond Surety

20010023

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: Genesis Well Number: #1

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

9. Proposed Total Measured Depth: 7374

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 16 Twp: 4N Rng: 66W Meridian: 6

Latitude: 40.313540 Longitude: -104.789550

Footage at Surface: 1958 feet FNL/FSL FNL 662 feet FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4738 13. County: WELD

14. GPS Data:

Date of Measurement: 03/29/2007 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 _____ 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: 641 ft

18. Distance to nearest property line: 662 ft 19. Distance to nearest well permitted/completed in the same formation: 50 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Codell | CODL | 232 | 40 | SWNW |
| Niobrara | NBRR | 232 | 40 | SWNW |

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#: 20010024

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):
SWNW section 16-T4N-R66W

25. Distance to Nearest Mineral Lease Line: 662 ft 26. Total Acres in Lease: 40

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: _____

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 12 | 8.625 | 24 | 0 | 359 | 265 | 359 | 0 |
| 1ST | 7 | 4.5 | 11.6 | 0 | 7,323 | 250 | 7,323 | 6,420 |

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

33. Comments A form 2A is not required for this recompletion because no pit will be constructed and there will be no additional surface disturbance beyond the originally disturbed area. Operator proposes to: 1. Set a retrievable CIBP above Codell formation at approximately 7200' 2. Perforate Niobrara formation 6920-6930', 7034-7044' 3. Frac Niobrara w/ Halliburton-designed frac system, containing approximately 250,000 to 300,000 pounds sand 3. Test Niobrara formation 4. Possibly commingle Niobrara with Codell (decision to be made later), and produce The Codell may be re-frac'd separately or concurrently with this operation, on or around March 21, 2011. A separate form 4 detailing these operations will be submitted 3-10-11 (via USPS).

34. Location ID: 336595

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: 3/10/2011 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: _____ Director of COGCC Date: _____

Permit Number: _____ Expiration Date: _____

API NUMBER

05 123 11432 00

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.

Attachment Check List

| Att Doc Num | Document Name | attached ? | |
|-----------------------------|-------------------------|---|--|
| <u>Attachment Checklist</u> | | | |
| 400137271 | 30 Day notice letter | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| | APD Orig & 1 Copy | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | Deviated Drilling Plan | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | Exception Loc Request | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | Exception Loc Waivers | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | Federal Drilling Permit | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | H2S Contingency Plan | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| | Mineral lease map | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 400141211 | Other | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| | Surface agrmt/Surety | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 400127174 | Topo map | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| | Well Location Plat | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| <u>Other Attachments</u> | | | |
| 400127145 | FORM 2 SUBMITTED | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 400127173 | PLAT | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 400127887 | LEASE MAP | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
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Total: 0 comment(s)