IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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		DE	ET	OE	ES

DE	ET	OE	ES

Document Number:

400069033

APPLICATION FOR PERMIT TO:

1. ☒ **Drill,** ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

Refiling ☒

Sidetrack ☐

Plugging Bond Surety

20010023

2. TYPE OF WELL

OIL ☒   GAS ☐   COALBED ☐   OTHER _____

SINGLE ZONE ☐   MULTIPLE ZONE ☒   COMMINGLE ZONE ☒

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: Stroh   Well Number: #38-28R

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

9. Proposed Total Measured Depth: 7935

WELL LOCATION INFORMATION

10. QtrQtr: SESE   Sec: 28   Twp: 4N   Rng: 67W   Meridian: 6

Latitude: 40.276910   Longitude: -104.886830

	FNL/FSL		FEL/FWL
Footage at Surface: 160 feet	FSL	200 feet	FEL

11. Field Name: Wattenberg   Field Number: 90750

12. Ground Elevation: 4932   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: 200 ft

18. Distance to nearest property line: 160 ft   19. Distance to nearest well permitted/completed in the same formation: 682 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.)
J-Sand	JSND		160	GWA
Niobrara-Codell	NB-CD	407-87	160	GWA

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):

SE/4 section 28-T4N-R67W

25. Distance to Nearest Mineral Lease Line: ___160 ft___ 26. Total Acres in Lease: ___160___

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

Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: _____

If 28, 29, or 30 are "Yes" a pit permit may be required.

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+1/4	8+5/8	24	0	700	425	700	0
1ST	7+7/8	4+1/2	11.5	0	7,935	750	7,935	

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

33. Comments No conductor casing will be used. A closed loop drilling mud system will be used. This location replaced the 16-28-38 location and was changed on all documents but the surface use agreement, which does refer to the BHL as the vertical well to be drilled. Drilling unit will be SESE28NENE33,SWSW27NWNW34 Rig height is 93'. plg

34. Location ID: ___309805___

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: 2/28/2011 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: _David S. Neslin_ **Director of COGCC** Date: 3/24/2011

API NUMBER
05 123 25401 00

Permit Number: _____ Expiration Date: 3/23/2013

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.

1) Provide 24 hour notice of MIRU to Bo Brown at 970-397-4124 or e-mail at bo.brown@state.co.us.
2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
400069033	FORM 2 SUBMITTED
400069040	PLAT
400135620	EXCEPTION LOC WAIVERS
400135621	30 DAY NOTICE LETTER
400135622	PROPOSED SPACING UNIT
400135623	UNIT CONFIGURATION MAP
400135624	LEASE MAP
400137295	CORRESPONDENCE
400137296	EXCEPTION LOC REQUEST
400137852	SURFACE AGRMT/SURETY

Total Attach: 10 Files

General Comments

User Group	Comment	Comment Date
Permit	The operator has requested an Exception Location and provided a letter and waivers for same. All criteria have been met in order to grant this exception. plg.	3/24/2011 9:35:04 AM
Permit	Rig height is 93'. plg	3/9/2011 9:14:05 AM
Permit	Requesting: rig height. plg.	3/8/2011 4:13:14 PM

Total: 3 comment(s)

BMP

Type	Comment

Total: 0 comment(s)