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Document Number:
400194219

PluggingBond SuretyID
20110078

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
 OIL GAS COALBED OTHER Lateral 2
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

3. Name of Operator: DAKOTA EXPLORATION LLC 4. COGCC Operator Number: 10354
 5. Address: 8801 S. YALE AVENUE, SUITE 120
 City: TULSA State: OK Zip: 74137
 6. Contact Name: Fabrianna Venaducci Phone: (303)279-0789 Fax: (303)279-1124
 Email: fabrianna@jameskaro.com
 7. Well Name: State Well Number: 6-81-24-4
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 8800

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 24 Twp: 6N Rng: 81W Meridian: 6
 Latitude: 40.480070 Longitude: -106.441020
 Footage at Surface: 672 feet FNL 1376 feet FWL
 11. Field Name: Wildcat Field Number: 99999
 12. Ground Elevation: 8374 13. County: JACKSON

14. GPS Data:
 Date of Measurement: 10/17/2010 PDOP Reading: 1.7 Instrument Operator's Name: Randall R. Miller

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
1245 FNL 1376 FWL 2083 FSL 1351 FWL
 Sec: 24 Twp: 6N Rng: 81W Sec: 24 Twp: 6N Rng: 81W

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: 820 ft
 18. Distance to nearest property line: 672 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 ft

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.)
Niobrara	NBRR			

21. Mineral Ownership: Fee State Federal Indian Lease #: 9000.6
 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 Bond \$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):

NW, N2SW, Sec. 24, T6N, R81W

25. Distance to Nearest Mineral Lease Line: 743 ft 26. Total Acres in Lease: 240

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+1/4	9+5/8	36	0	760	421	760	0
1ST	8+3/4	7	26	0	6,520	200	6,520	5,000
1ST LINER	6+1/8	4+1/2	11.6	5350	8,400			
OPEN HOLE	6+1/8			0	8,800			

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

33. Comments This Form 2 is submitted as a 2nd sidetrack for the pilot hole as submitted in Document #400110584 (API: 05-057-06510-00). An approved Form 2 (Doc. # 400153983) for the 1st sidetrack, now plugged, is on file with the COGCC - API: 05-057-06510-01. Please see this document for the plat and deviated drilling plan. No change to the bottom hole location. Surface owner is the State of Colorado and does not require a Surface Use Agreement. A \$5000 bond has been filed with the State Land Board. The 1st Liner will not be cemented. Will use open-hole water swellable packer @ 6650'.

34. Location ID: 423727

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: Fabrianna Venaducci

Title: Contract Landman Date: 8/29/2011 Email: fabrianna@jameskaro.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: 9/21/2011

API NUMBER
05 057 06510 02

Permit Number: _____ Expiration Date: 9/20/2013

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 -MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 410 FEET DEEP.

(3) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE SHALLOWEST-KNOWN PRODUCING HORIZON. VERIFY CEMENT WITH A CEMENT BOND LOG.
•IF THE PRODUCTION LINER IS CEMENTED, VERIFY CEMENT WITH A CEMENT BOND LOG.

Attachment Check List

Att Doc Num	Name
2121290	WELLBORE DIAGRAM
400194219	FORM 2 SUBMITTED

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	email question to opr rep re: TMD (there appear to be 3 or 4 different TMDs in this permit). ON HOLD> also requested wellbore schematic/diagram (if available) for present wellbore configuration and planned config. OPR provided info (incl. WBD) 9/9. WBD has been imported into wellfile.	9/8/2011 4:32:46 PM
Permit	Please approve as 2nd lateral API: 05-057-06510-02. No change to bottom hole location per operator.	9/6/2011 11:24:19 AM
Permit	Returned to draft. Missing Plat and directional survey attachment.	8/30/2011 8:03:05 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)