

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER CO2
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

Document Number:
 400224168
 PluggingBond SuretyID
 20110027

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: DOE CANYON Well Number: 11

8. Unit Name (if appl): DOE CANYON Unit Number: 47612X

9. Proposed Total Measured Depth: 8600

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 15 Twp: 40N Rng: 18W Meridian: N
 Latitude: 37.732620 Longitude: -108.834260

Footage at Surface: 2389 feet FNL/FSL FSL 2569 feet FEL/FWL FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6999 13. County: DOLORES

14. GPS Data:

Date of Measurement: 09/28/2011 PDOP Reading: 1.9 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: 900 ft

18. Distance to nearest property line: 53 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3460 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			

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#: 20080051

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):

See attached for lease information. Pertinent portion covers SW1/4 S15

25. Distance to Nearest Mineral Lease Line: 53 ft 26. Total Acres in Lease: 809

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/cover:salt disp. fct

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	20		0	80	100	80	0
SURF	12+1/4	9+5/8		0	2,438		2,438	0
1ST	8+3/4	7	29/32/29	0	8,221		8,221	0
OPEN HOLE	6			8221	8,600			8,221

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

33. Comments This is the vertical pilot hole for a subsequent planned horizontal completion; see APD docnum 400224198. KM has a photo of the dilapidated bldg within 400' if needed. Pad is 53' from property line with agreements by landowners to place pad close to property lines to minimize disruption of farming acreage. Form 15 pit permit being submitted for 2 pits: pit 1 for most of the cuttings will be left on-site, de-watered and covered; Salt section cuttings and muds in vertical pilot will be de-watered and solids hauled offsite to disposal facility.

34. Location ID: _____

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: 12/8/2011 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: _____ Director of COGCC Date: _____

API NUMBER
05

Permit Number: _____ Expiration Date: _____

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	Name
400224168	FORM 2 SUBMITTED
400230000	WELL LOCATION PLAT
400230001	OTHER
400230004	H2S CONTINGENCY PLAN
400230019	ACCESS ROAD MAP
400230021	CONST. LAYOUT DRAWINGS
400230022	LEASE MAP
400230044	DRILLING PLAN
400230746	LEGAL/LEASE DESCRIPTION

Total Attach: 9 Files

General Comments

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

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)