

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:
400224199

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: 12

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

9. Proposed Total Measured Depth: 10451

WELL LOCATION INFORMATION

10. QtrQtr: t71-72 Sec: 10 Twp: 40N Rng: 18W Meridian: N
Latitude: 37.751270 Longitude: -108.836210

Footage at Surface: 1366 feet FNL/FSL FNL 2042 feet FEL/FWL FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 7165 13. County: DOLORES

14. GPS Data:
Date of Measurement: 09/20/2011 PDOP Reading: 1.6 Instrument Operator's Name: R.J. Caffey

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

1366 FNL 2042 FWL 634 FSL 2052 FWL

Sec: 10 Twp: 40N Rng: 18W Sec: 3 Twp: 40N Rng: 18W

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: 1151 ft

18. Distance to nearest property line: 28 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.)
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):

TRACTS 71 AND 72 with a total of 5 leases; see leases for description. For tract 72: 2 leases for vertical pilot and for the planned beginning portion of horizontally producing borehole. Tract 72 is irregular in qtr/qtr description but mostly in western 1/2 of S10 and extends to S9 to the west as well. The horizontal borehole will continue into tract 71 involving 3 leases. The nearest lease boundary for these combined leases is 150' to tract 73 to the east and tract 46 for other portions of the horizontal wellbore.

25. Distance to Nearest Mineral Lease Line: 150 ft 26. Total Acres in Lease: 920

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. fclt

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			0
SURF	12+1/4	9+5/8	36	0	2,526			0
1ST	8+3/4	7	29&32	0	8,446			0
OPEN HOLE	4+3/4			8451	10,451			8,451

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

33. Comments This is the horizontal borehole portion from the vertical pilot hole; see APD docnum 400224177. 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; NO Salt section cuttings and muds expected in horizontal wellbore. A KOP will be established from the vertical pilot after logging a 6" OH. The KOP is expected to be around 8222' and drilling to TD as a 4 1/4" OH that will then be completed per drilling plans. Conductor/surface and production casing described for the pilot hole is re-entered here so this could be submitted.

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: 1/16/2012 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.

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Attachment Check List

Att Doc Num	Name
400224199	FORM 2 SUBMITTED
400234158	WELL LOCATION PLAT
400234159	ACCESS ROAD MAP
400234160	LEASE MAP
400234169	H2S CONTINGENCY PLAN
400234173	OTHER
400234176	CONST. LAYOUT DRAWINGS
400234181	DRILLING PLAN
400234182	DEVIATED DRILLING PLAN
400237757	LEGAL/LEASE DESCRIPTION
400237758	LEGAL/LEASE DESCRIPTION
400241461	WAIVERS
400242368	VARIANCE REQUEST
400242435	DIRECTIONAL DATA

Total Attach: 14 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)