

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER _____

SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

Document Number:
400241736

PluggingBond SuretyID
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: Susana Lara-Mesa Phone: (303)825-4822 Fax: (303)825-4825
Email: slaramesa@kpk.com

7. Well Name: Sunmarke Well Number: 19-28-11

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

9. Proposed Total Measured Depth: 7917

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 28 Twp: 4N Rng: 67W Meridian: 6
Latitude: 40.279206 Longitude: -104.900096

Footage at Surface: 924 feet FSL 1408 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4975 13. County: WELD

14. GPS Data:
Date of Measurement: 12/19/2011 PDOP Reading: 1.9 Instrument Operator's Name: Joe Pussey

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

1915 FSL 1945 FWL 1980 FSL 1980 FWL

Sec: 28 Twp: 4N Rng: 67W Sec: 28 Twp: 4N Rng: 67W

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: 915 ft

18. Distance to nearest property line: 915 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1400 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.)
J SAND	JSND	232-23	320	S/2
NIOBRARA-CODELL	NB-CD	407-87	80	E/2SW/4

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 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):

SW/4 OF Sections 28, T4N, R67W, Weld Co

25. Distance to Nearest Mineral Lease Line: 958 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

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	8+5/8	24	0	700	420	700	0
1ST	7+7/8	4+1/2	11.5	0	8,077	750	8,077	

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

33. Comments No conductor casing will be used. Surface owner has waived 30 day notice.

34. Location ID: 306438

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: Susana Lara-Mesa

Title: Engineering Project Mgr Date: 1/23/2012 Email: slaramesa@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. Nesline Director of COGCC Date: 2/14/2012

API NUMBER
05 123 35080 00

Permit Number: _____ Expiration Date: 2/13/2014

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.

Operator must meet water well testing requirements per Rule 318A.

- 1) Provide 24 hour notice of MIRU to COGCC inspector Mike Hickey via e-mail at Mike.Hickey@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address.
- 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.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
1694719	SURFACE AGRMT/SURETY
400241736	FORM 2 SUBMITTED
400243894	LEASE MAP
400244627	WELL LOCATION PLAT
400244628	DEVIATED DRILLING PLAN
400244630	MULTI-WELL PLAN
400244631	TOPO MAP
400244639	WAIVERS
400244763	DIRECTIONAL DATA

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	2/14/2012 1:28:30 PM
Permit	Received signed SUA. OK to pass. w/o form 2A.	2/14/2012 8:39:57 AM
Permit	Changed distance to nearest building, public road, above ground utility or railroad from 1612' (bldg) to 915' (utility). Changed Unit Configuration for NB-CD to E/2SW/4 & J SAND to S/2 per operator. Okay to pass pending public comment 2/13/12.	1/30/2012 2:21:04 PM
Permit	ON HOLD: Request confirmation of Unit Configuration. for NB-CD & J SAND and signed SUA. Changed distance to nearest building, public road, above ground utility or railroad from 1612' (bldg) to 915' (utility) per operator.	1/30/2012 10:56:49 AM
Permit	Operator corrected SHL and attachments. This form has passed completeness.	1/24/2012 11:33:17 AM
Permit	Returned to draft. Incorrect QtrQtr. Mislabeled attachments.	1/24/2012 9:49:21 AM
Permit	Returned to draft at operators request.	1/24/2012 9:12:07 AM
Permit	Returned to draft at operators request.	1/24/2012 6:32:48 AM

Total: 8 comment(s)

BMP

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

Total: 0 comment(s)