

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:
400222384

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: State Well Number: #11-14

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

9. Proposed Total Measured Depth: 7400

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 14 Twp: 4S Rng: 62W Meridian: 6
Latitude: 39.700570 Longitude: -104.296040

Footage at Surface: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet

11. Field Name: Byers Field Number: 9550

12. Ground Elevation: 5471 13. County: ARAPAHOE

14. GPS Data:
Date of Measurement: 04/09/2009 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: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet

Bottom Hole: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet

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: 2844 ft

18. Distance to nearest property line: 1959 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1281 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		40	NWSE

21. Mineral Ownership: Fee State Federal Indian Lease #: 3810/78

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):

All of section 14-T4S-R62W

25. Distance to Nearest Mineral Lease Line: 1959 ft 26. Total Acres in Lease: 640

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	560	240	560	0
1ST	7+7/8	4+1/2	11.5	0	7,400	225	7,400	
			Stage Tool		1,350	195	1,350	510

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

33. Comments No conductor casing will be used.

34. Location ID: 414687

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: 11/10/2011 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. Neslin Director of COGCC Date: 2/15/2012

API NUMBER
05 005 07153 00

Permit Number: _____ Expiration Date: 2/14/2014

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.

Location is in a sensitive area because of close proximity to surface water, therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations.

- 1) Provide 24 hour notice of MIRU to Mike Hickey by e-mail at Mike.Hickey@state.co.us
- 2) SET SURFACE CASING PER RULE 317A, CEMENT TO SURFACE, AND STAGE CEMENT FROM 1350' TO 50' ABOVE THE SURFACE CASING SHOE, VERIFY COVERAGE WITH CBL.
- 3) IF COMPLETED PROVIDE CEMENT COVERAGE FROM TD TO A MINIMUM OF 200' ABOVE NIOBRARA. VERIFY COVERAGE WITH CEMENT BOND LOG.
- 4) IF DRY HOLE, SET 60 SACKS CEMENT FROM 50' BELOW D SAND BASE TO 100' ABOVE D SAND TOP, 40 SKS CMT 50' ABOVE NIOBRARA TOP, 40 SKS CMT FROM 1300' UP, 40 SKS CMT FROM 800' UP, 50 SKS CMT ½ OUT, ½ IN SURFACE CASING, 10 SKS CMT AT TOP OF SURFACE CASING, CUT 4' BELOW GL, WELD ON PLATE, 5 SKS CMT IN RAT HOLE 5 SKS CMT IN MOUSE HOLE.

Attachment Check List

Att Doc Num	Name
400222384	FORM 2 SUBMITTED
400222699	30 DAY NOTICE LETTER
400222701	LEASE MAP
400222705	TOPO MAP

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date
Permit	Letter sent to LGD to inform him that a COA regarding containment of any fluids present at the well site, and that a closed loop system was being used by the operator.	2/14/2012 8:54:17 AM
Permit	K P Kaufman sent sundrys in indicating that they are using a closed loop system	2/14/2012 8:52:48 AM
Permit	Arapahoe county has submitted comments involving special requirements.	12/28/2011 10:10:11 AM
Permit	Notified SLB	12/28/2011 10:09:59 AM
LGD	<p>Arapahoe County has the following comments:</p> <p>The applicant will either need to obtain BOCC approval for a Use by Special Review Permit or other required Oil Gas Operations Permit following BOCC approval of an amendment to the Land Development Code for Oil Gas Operations.</p> <p>Given that there are two intermittent streams in the section that this well is being drilled, we request a requirement for a closed-loop system.</p> <p>A GESC plan and report must be submitted and approved. After approval of this plan and report, a GESC permit will be required. Collateral to guarantee the BMPs must be submitted to the county prior to issuance of the GESC permit.</p> <p>A truck traffic report must be submitted to the county before issuance of an access permit. This report must specify type and size of truck traffic used in drilling and production of the well. Included in this report the Applicant must provide a detailed map depicting all County roads used by trucks to ingress and egress this well site. The roadway</p> <p>condition of each roadway must be specified in the report. Improvements to any County road along the proposed route may require improvement by the Applicant prior to issuance of an access permit. Any damage to any improved County roadway along the route cause of this oil and gas operation will be the responsibility of the Applicant.</p> <p>An oversize moving permit is required for any County road for transporting any oversize or overweight vehicles, such as a drilling rig, on any County roadways.</p> <p>In the event of any encroachment of a FEMA or County designated floodplain, a floodplain development permit will be required. Prior to issuance of this permit, an engineering analysis must be submitted evaluating the impact of this</p> <p>encroachment on the 100-year floodplain</p>	12/19/2011 2:15:39 PM
Permit	On hold May need a form 2A.	12/5/2011 11:49:01 AM
Permit	Removed spacing order per operator.	12/1/2011 2:40:18 PM
Permit	Returned to draft at operators request.	11/10/2011 4:12:19 PM

Total: 8 comment(s)

BMP

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

Total: 0 comment(s)