

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:
400245992

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: MATSUSHIMA Well Number: #1-5

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

9. Proposed Total Measured Depth: 7320

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 10 Twp: 4N Rng: 66W Meridian: 6
Latitude: 40.328290 Longitude: -104.756340

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

11. Field Name: HAMBERT Field Number: 33530

12. Ground Elevation: 4718 13. County: WELD

14. GPS Data:
Date of Measurement: 06/15/2007 PDOP Reading: 3.0 Instrument Operator's Name: Ray Gorka

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: 556 ft

18. Distance to nearest property line: 556 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 953 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-CODELL	NB-CD	407-87	80	S2NE
SUSSEX-CODELL	SX-CD	GWA	80	E2NE

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):

NE/4 SECTION 10 4N 66W

25. Distance to Nearest Mineral Lease Line: 637 ft 26. Total Acres in Lease: 80

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	395	280	395	0
1ST	7+7/8	4+1/2	11.6	0	7,320	200	7,320	6,142

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

33. Comments FORM 4 WAS HAND DELIVERED AT THE COGCC ON 01-26-2012 ALONG WITH WELLBORE DIAGRAM

34. Location ID: 336594

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: 1/26/2012 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: 2/26/2012

API NUMBER
05 123 11364 00

Permit Number: _____ Expiration Date: 2/25/2014

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.

Prior to recomple, operator must: 1) Verify existing cement coverage across the Sussex and Shannon with a cement bond log. 2) If it is not present on both as follows, provide remedial cement from 200' below Shannon to 200' above Sussex (minimum coverage 5100' to 3940'). Verify remedial cement coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
2481409	SURFACE CASING CHECK
400245992	FORM 2 SUBMITTED

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	2/21/2012 8:56:29 AM
Permit	Operator answered #2 and #36. This form has passed completeness.	1/27/2012 9:54:27 AM
Permit	Returned to draft. Missing #2 and #36.	1/27/2012 9:09:41 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)