

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400293405

Date Received:

07/17/2012

PluggingBond SuretyID

20010023

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

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)8254822 Fax: (303)8254825

Email: slaramesa@kpk.com

7. Well Name: SIERRA MITCHELL Well Number: #32-5

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

9. Proposed Total Measured Depth: 8053

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 32 Twp: 4S Rng: 63W Meridian: 6

Latitude: 39.663048 Longitude: -104.465118

Footage at Surface: 656 feet FNL 1955 feet FWL

11. Field Name: BOMBING RANGE Field Number: 7155

12. Ground Elevation: 5728 13. County: ARAPAHOE

14. GPS Data:

Date of Measurement: 10/31/2007 PDOP Reading: 1.8 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: 2034 ft

18. Distance to nearest property line: 2034 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1735

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| J Sand | JSND | | 80 | N2NW |
| J-3 | J-3 | | 80 | N2NW |

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):

T4S R63W 6 SEC 32:ALL - 640 ACRES

25. Distance to Nearest Mineral Lease Line: 2034

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 | 195 | 120 | 195 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 8,053 | 250 | 8,050 | 7,380 |

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

33. Comments FORM 4 ALONG WITH WELLBORE DIAGRAM WAS SUBMITTED AT THE COGCC ON 06-13-2012

34. Location ID: 320769

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: 7/17/2012

Email: slaramesa@kpk.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 9/6/2012

API NUMBER

05 005 06965 00

Permit Number: _____ Expiration Date: 9/5/2014

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 with a cement bond log. 2) If it is not present as follows, provide remedial cement 200' above Niobrara (minimum cement top of 6980'), and 1780' into the surface casing shoe. Verify remedial cement coverage with cement bond log.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------|
| 400293405 | FORM 2 SUBMITTED |

Total Attach: 1 Files

General Comments

| User Group | Comment | Comment Date |
|-------------------|--|-----------------------|
| LGD | <p>Arapahoe County has the following comments:</p> <p>The operator should contact Arapahoe County Planning via a Pre-submittal Meeting to determine if there are any Planning Process requirements for recompleting a well.</p> <p>Engineering Permits</p> <p>1. A GESC (Grading, Erosion and Sedimentation Control) plan and report must be submitted for each oil well site. Collateral to guarantee the BMPs must be provided prior to the issuance of the GESC permit. The GESC permit must be issued prior to any grading related to the oil well development.</p> <p>2. A truck traffic report must be submitted to the County before issuance of an access permit. The report must specify the volume, type and size of truck traffic used in the drilling and production of the well. Included in this report the</p> <p>Applicant must provide a detailed map depicting all County roads intended to be used by truck traffic to ingress and egress the well site. The roadway condition and existing traffic volumes of each of the roadways must be specified</p> <p>in the report. Improvements to any County road along the proposed route may require an agreement with the Operator prior to issuance of the access permit. Any damage to an Arapahoe county road resulting from the Oil Well</p> <p>operation will be the responsibility of the Applicant.</p> <p>3. An oversize moving permit is required for transporting drilling rigs or any other oversize and overweight vehicles on any County roadways.</p> <p>4. In the event 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> <p>Engineering Staff will consider waiving some or all of the engineering requirements for the Sierra Mitchell 32-5 well as we expect less impact from the recompleted wells; however, we request the KP Kauffman contact staff well in advance</p> <p>of drilling to determine which requirements apply.</p> | 3/7/2012 2:28:48 PM |
| Permit | <p>You're correct, Bill. Please change it. Thanks, Susi</p> <p>On Aug 6, 2012, at 11:25 AM, "Yokley, Bill" wrote:</p> <p>Hey Susi,</p> <p>Would you please review this document.</p> <p>Issue: it was marked as being a "re-file".</p> <p>I don't think that is the case, it appears to be only a recomplete.</p> <p>If agree and give me the authorization I will remove the "refilling" yes on the form.</p> <p>Thanks, Bill</p> | 8/6/2012 11:55:26 AM |
| Agency | I don't see where this is a refile? | 7/31/2012 5:37:14 PM |
| Permit | Line 22a filled in. | 7/18/2012 2:34:26 PM |
| Permit | Returned to draft. Line 22a not filled in. | 7/18/2012 10:06:06 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)