

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER CO2
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refilling
Sidetrack

Document Number:
2095634
Plugging Bond Surety

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: BOB CLAYTON Phone: (970)882-5507 Fax: (970)882-5521
Email: BOB.CLAYTON@KINDERMORGAN.COM

7. Well Name: SAND CANYON Well Number: 11

8. Unit Name (if appl): MCELMO DOME Unit Number: 047653X

9. Proposed Total Measured Depth: 8709

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 8 Twp: 36N Rng: 18W Meridian: N
Latitude: 37.397840 Longitude: -108.857820

Footage at Surface: 845 FNL/FSL FNL 1794 FEL/FWL FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6476 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 11/07/2009 PDOP Reading: 3.4 Instrument Operator's Name: GERALD HUDDLESTON

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 798 FNL 1747 FWL 806 FNL 707 FEL 707 FEL
Sec: 7 Twp: 36N Rng: 18W Sec: 7 Twp: 36N 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: 502 ft

18. Distance to nearest property line: 1 mi 19. Distance to nearest well permitted/completed in the same formation: 1300 ft

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.)
LEADVILLE	LDVLL	389-1		

21. Mineral Ownership: Fee State Federal Indian Lease #: C19737

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 Bon \$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):
SEE ATTACHED LEASES. C19737 & 19347

25. Distance to Nearest Mineral Lease Line: 580 ft 26. Total Acres in Lease: 2720

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite

Method: Land Farming Land Spreading Disposal Facility Other: RESERVE PIT

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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
CONDUCTOR	26	20	50	80		80	0
SURF	12+1/4	9+5/8	36	3,253	1,200	3,253	0
1ST	8+3/4	7	29	7,716	2,005	7,716	0
OPEN HOLE	4+3/4			8,709			

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

33. Comments LATERAL FOR DOC 2095642 PILOT HOLE. 6" PILOT HOLE DRILLED FROM 7706 TO 7888 TVD AND CEMENTED OFF WITH 85 S CLASS G FOR KOP FOR LATERAL.

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: BOB CLAYTON

Title: OPERATIONS SUPERVISOR Date: 7/19/2010 Email: BOB.CLAYTON@KINDERMO

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: 8/13/2010

API NUMBER
05 083 06684 01

Permit Number: _____ Expiration Date: 8/12/2012

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.

Attachment Check List

Att Doc Num	Name	Doc Description
2095634	APD ORIGINAL	LF@2353067 2095634
2095635	WELL LOCATION PLAT	LF@2353073 2095635
2095636	TOPO MAP	LF@2353080 2095636
2095637	OIL & GAS LEASE	LF@2353092 2095637
2095638	FED. DRILLING PERMIT	LF@2353103 2095638
2095639	H2S CONTINGENCY PLAN	LF@2353096 2095639
2095640	DRILLING PLAN	LF@2353120 2095640
2095641	SURFACE PLAN	LF@2353115 2095641

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	None-Federal	7/28/2010 4:42:20 PM

Total: 1 comment(s)

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