

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:
400112936
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: Paul Belanger Phone: (970)882-2464 Fax: (970)882-5521
Email: Paul_Belanger@kindermorgan.com

7. Well Name: MCELMO-DOME 15-37-18 Well Number: YD-2

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

9. Proposed Total Measured Depth: 10054

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 15 Twp: 37N Rng: 18W Meridian: N
Latitude: 37.459357 Longitude: -108.827327

Footage at Surface: 950 feet ^{FNL/FSL} FSL 289 feet ^{FEL/FWL} FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6526 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 11/16/2009 PDOP Reading: 2.4 Instrument Operator's Name: Gerald G. Huddleston

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

Footage at Top of Prod Zone: ^{FNL/FSL} 950 ^{FSL} FSL 289 ^{FWL} FWL Bottom Hole: ^{FNL/FSL} 2342 ^{FSL} FSL 1146 ^{FEL} FEL
Sec: 15 Twp: 37N Rng: 18W Sec: 16 Twp: 37N 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: 5280 ft

18. Distance to nearest property line: 5280 ft 19. Distance to nearest well permitted/completed in the same formation: 1380 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	203234	

21. Mineral Ownership: Fee State Federal Indian Lease #: 011644A

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 THE 2 lease attachments (since horizontal well crosses into 2 leases) and lease map

25. Distance to Nearest Mineral Lease Line: 260 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 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: de-water and cover

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/Line Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	20	16			80		80	0
SURF	14+3/4	10+3/4	40.5		2,800	1,655	2,800	0
1ST	9+5/8	7+5/8	26.4		8,027	1,905	8,027	200
OPEN HOLE	4+3/4				10,054			

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

33. Comments THIS IS THE HORIZONTAL well APD drilled in 2004 from the original and still active YD-2 vertical borehole that was originally drilled in 1983. KM set Packer at 7900', set casing shoe @ 8027' cut window and KOP 8030', drilled an OH 4 3/4" from 8030-10054' MD. There was no cementing or logging of thei open hole.

34. Location ID: 313513

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: Paul E. Belanger

Title: Regulatory Contractor Date: _____ Email: Paul_Belanger@KinderMorgan.

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: _____

Permit Number: _____ Expiration Date: _____

API NUMBER
05 083 06384 01

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.

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Attachment Check List

Att Doc Num	Name
400113526	H2S CONTINGENCY PLAN
400117595	WELL LOCATION PLAT
400117599	UNIT CONFIGURATION MAP
400117701	DEVIATED DRILLING PLAN
400117703	LEASE MAP
400117710	LEGAL/LEASE DESCRIPTION
400117711	LEGAL/LEASE DESCRIPTION
400117712	DRILLING PLAN
400117714	TOPO MAP
400117887	FED. DRILLING PERMIT

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)