

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:
400125349
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: HE Well Number: 5

8. Unit Name (if appl): McElmo Dome Unit Number: 53674

9. Proposed Total Measured Depth: 10500

WELL LOCATION INFORMATION

10. QtrQtr: LOT 2 Sec: 36 Twp: 38N Rng: 19W Meridian: N
Latitude: 37.504030 Longitude: -108.898525

Footage at Surface: 736 feet FNL/FSL FSL 1573 feet FEL/FWL FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6483 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 11/25/2009 PDOP Reading: 6.0 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 851 FSL 1646 FWL 1769 FNL 1576 FWL
Sec: 36 Twp: 38N Rng: 19W Sec: 36 Twp: 38N Rng: 19W

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: 450 ft

18. Distance to nearest property line: 760 ft 19. Distance to nearest well permitted/completed in the same formation: 3100 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 #: COC001713

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 MAP; 700' from nearest Fed Mineral COC22368 UNIT to south

25. Distance to Nearest Mineral Lease Line: 700 ft 26. Total Acres in Lease: 2034

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/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24			0	80	40	80	0
SURF	12+1/4	9+5/8	36	0	2,920	1,100	2,920	0
1ST	8+1/4	+7	26/32	0	8,190	2,000	8,190	0
OPEN HOLE	4+3/4			8190	10,500	0		8,190

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

33. Comments Since this is being submitted after the fact, as drilled lat/longs/footages are being submitted. Horizontal leg drilled in 3/4/2004 from original vertical well drilled in 2002

34. Location ID: 313584

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 06601 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
400125512	DRILLING PLAN
400125519	LEASE MAP
400127502	DRILLING PLAN
400127506	SURFACE PLAN
400127507	DRILLING PLAN
400127516	H2S CONTINGENCY PLAN
400127517	UNIT CONFIGURATION MAP
400127527	LEGAL/LEASE DESCRIPTION
400127530	LEASE MAP
400127544	DEVIATED DRILLING PLAN
400128548	WELL LOCATION PLAT

Total Attach: 11 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)