

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

Refiling
Sidetrack

Document Number:
400129487
Plugging Bond Surety
20080058

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: (MOQUI) MC Well Number: 8

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

9. Proposed Total Measured Depth: 7900

WELL LOCATION INFORMATION

10. QtrQtr: LOT 6 Sec: 6 Twp: 36N Rng: 17W Meridian: N
Latitude: 37.404727 Longitude: -108.770752

Footage at Surface: 1675 feet FNL/FSL 380 feet FEL/FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6828 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 11/24/2004 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 _____ 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: 1600 ft

18. Distance to nearest property line: 807 ft 19. Distance to nearest well permitted/completed in the same formation: 3450 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		203234	

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 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 LEGAL LEASE; 3 portions totaling 1026 acres

25. Distance to Nearest Mineral Lease Line: 380 26. Total Acres in Lease: 1026

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: 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	80	80	0
SURF	12+1/4	9+5/8	36	0	3,215	1,100	3,215	0
1ST	8+3/4	7	29&32	0	5,900	1,380	5,900	0
OPEN HOLE	6			5900	7,900		7,900	5,900

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

33. Comments PILOT HOLE -00; HAD TO SUBMIT AS SIDETRACK UNTIL HORIZONTAL REASSIGNED TO -01 This well APD is being submitted for the Pilot hole portion (-01) for horizontal well that had previously been permitted and completed. This APD is being submitted electronically and has to be labeled a sidetrack (01) since the APD for the horizontal portion of MC8 (form 1421373) was previously submitted as the only wellbore and assigned an API of 05-083-06625 -00. Once the horizontal forms are assigned to the -01 sidetrack designation this Pilot APD should be re-assigned to -00 vertical/stratigraphic status. This Stratigraphic Pilot Hole is to be drilled to a depth of 8700', logged to determine KOP, a plug set and then drilled horizontally to about 10,700' General procedures: After the 7" first string/"production", stainless steel casing is cemented in place, a 6" pilot hole is drilled to the pilot hole TD (this APD). The OH well is then logged, the OH wellbore cemented with around 100 sx cement and a kickoff plug emplaced at the KOP determined by analyzing the logs (see "whipstock" cement summary in those cases). That defines the completion time for this pilot/stratigraphic vertical wellbore (-00 well). Generally the rig is released and another directional rig is moved into place at a later date (in some instances it may be the same rig) and the horizontal horizontal well drilled to the azimuth and distance per the APD of the well permit. The well is completed OH and NOT logged, nor any further cement work done. A directional survey is completed for the horizontal well and submitted with the completion report for the -01 horizontal wellbore.

34. Location ID: 313602

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: _____

API NUMBER 05 083 06625 01

Permit Number: _____ Expiration Date: _____

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
400132040	30 DAY NOTICE LETTER
400132041	ACCESS ROAD MAP
400132042	DRILLING PLAN
400132043	WELL LOCATION PLAT
400132044	SURFACE AGRMT/SURETY
400132045	TOPO MAP
400132046	H2S CONTINGENCY PLAN
400132047	UNIT CONFIGURATION MAP
400136707	LEGAL/LEASE DESCRIPTION

Total Attach: 9 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)