

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



DE ET OE ES

Document Number:
400109407
Plugging Bond Surety

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

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: YB Well Number: 5

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

9. Proposed Total Measured Depth: 8200

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 24 Twp: 37N Rng: 18W Meridian: N
Latitude: 37.447019 Longitude: -108.790893

Footage at Surface: 1731 feet FNL/FSL FSL 349 feet FEL/FWL FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6639 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 11/19/2009 PDOP Reading: 2.8 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 _____ 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: 1340 ft

18. Distance to nearest property line: 348 ft 19. Distance to nearest well permitted/completed in the same formation: 4621 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 #: COC 011511

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 lease map, and unit map

25. Distance to Nearest Mineral Lease Line: 349 ft 26. Total Acres in Lease: 203234

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	14			80	40	80	0
SURF	12+1/4	9+5/8	36		2,850	800	2,850	0
1ST	8+3/4	7	29		7,913	1,700	7,913	0
OPEN HOLE	6				8,134	100	8,134	7,913

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

33. Comments This well is the Pilot hole for the planned lateral that was later completed; it is labeled a sidetrack since YB-5 form 1511680 for the original horizontal APD for API 05-083-06627-00 YB-5 - horizontal well originally permitted. The Pilot Hole will be Suffix 00.

34. Location ID: 313604

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: 12/15/2010 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: David S. Nesline Director of COGCC Date: 2/27/2011

API NUMBER **05 083 06627 00** Permit Number: _____ Expiration Date: 2/26/2013

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.

1) Provide 48 hour notice of spud to COGCC field inspector

The API # shown on the submitted form 2 is 05-083-06227 which is incorrect and should be changed to 05-083-06627

Attachment Check List

Att Doc Num	Name
400109407	FORM 2 SUBMITTED
400113529	H2S CONTINGENCY PLAN
400116278	FED. DRILLING PERMIT
400116279	UNIT CONFIGURATION MAP
400116280	30 DAY NOTICE LETTER
400116281	SURFACE AGRMT/SURETY
400116282	LEASE MAP
400116283	TOPO MAP
400116284	DRILLING PLAN
400116285	WELLBORE DIAGRAM
400116286	WELL LOCATION PLAT
400116873	LEGAL/LEASE DESCRIPTION

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED- JLV	2/23/2011 11:14:42 AM
Permit	The Pilot Hole suffix will be 00 and the Horizontal suffix will be 01. Change FSL to 1,731' per survey plat. JLV	12/28/2010 2:53:54 PM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)