

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 |
|----|----|----|----|

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER Pilot Hole
SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

Document Number:

400110584

Plugging Bond Surety

20110078

3. Name of Operator: DAKOTA EXPLORATION LLC 4. COGCC Operator Number: 10354

5. Address: 8801 S. YALE AVENUE, SUITE 120
City: TULSA State: OK Zip: 74137

6. Contact Name: Fabrianna Venaducci Phone: (303)2790789 Fax: (303)2791124
Email: fabrianna@jameskaro.com

7. Well Name: State Well Number: 6-81-24-4

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 6368

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 24 Twp: 6N Rng: 81W Meridian: 6
Latitude: 40.480070 Longitude: -106.441020

Footage at Surface: 672 feet FNL/FSL FNL 1376 feet FEL/FWL FWL

11. Field Name: wildcat Field Number: 99999

12. Ground Elevation: 8374 13. County: JACKSON

14. GPS Data:

Date of Measurement: 10/15/2010 PDOP Reading: 1.7 Instrument Operator's Name: Randall R Miller

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: 820 ft

18. Distance to nearest property line: 672 ft 19. Distance to nearest well permitted/completed in the same formation: 5280 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Niobrara | NBRR | | | |

21. Mineral Ownership: Fee State Federal Indian Lease #: 9000.6

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 Bond \$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):

NW/4, N/2SW/4, Sec 24, T6N, R81W, 6th PM

25. Distance to Nearest Mineral Lease Line: 672 ft 26. Total Acres in Lease: 240

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: _____

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 9+5/8 | 36 | 0 | 700 | 190 | 700 | 0 |
| 1ST | 8+3/4 | 7+0/0 | 23 | 0 | 6,174 | 120 | 6,174 | 5,000 |

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

33. Comments This APD is for Pilot hole portion in connection with the previously approved APD for State 6-81-24-4 Horizontal (API # 05-057-06510-00). No conductor pipe will be used.

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: Fabrianna Venaducci

Title: Contract Landman Date: 8/8/2011 Email: fabrianna@jameskaro.com

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

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 |
|-------------|------------------|
| 400110584 | FORM 2 SUBMITTED |
| 400110585 | PLAT |

Total Attach: 2 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)