

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

PluggingBond SuretyID
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: _____ feet FNL 1376 feet FEL/FWL _____ feet

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: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet Bottom Hole: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet

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

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: 423727

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: David S. Nashine Director of COGCC Date: 8/19/2011

API NUMBER
05 057 06510 00

Permit Number: _____ Expiration Date: 8/18/2013

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.

Waiver Public and LGD comments because well is already drilling. Comments were made on the first permit.

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.

(3) THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 -MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 410 FEET DEEP.

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>
Engineer	sent opr email requesting more information (e.g., has pilot been drilled? if so, we have no Form 5/completion information) OPR replied (8/16) with summary and explanations.	8/16/2011 9:02:37 AM
Permit	The original well was permitted as a Horizontal API#057-06510-00 (doc #400153983). It should have been a pilot with a lateral. This is the pilot.	8/15/2011 9:36:24 AM
Permit	Returned to draft. Missing conductor statement and mud disposal information.	3/9/2011 7:38:59 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)