

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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Document Number:

400210135

PluggingBond SuretyID

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL  GAS  COALBED  OTHER \_\_\_\_\_  
SINGLE ZONE  MULTIPLE  COMMINGLE

Refiling   
Sidetrack

3. Name of Operator: KOCH EXPLORATION COMPANY, LLC 4. COGCC Operator Number: 49100

5. Address: 9777 PYRAMID CT STE 210  
City: ENGLEWOOD State: CO Zip: 80112

6. Contact Name: Natalie Naeve Phone: (303)325-2565 Fax: (303)325-2599  
Email: natalie.naeve@kochind.com

7. Well Name: Federal Well Number: 7-29

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 7787

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 29 Twp: 2N Rng: 97W Meridian: 6  
Latitude: 40.114431 Longitude: -108.299654

Footage at Surface: 2149 feet FNL 1942 feet FEL

11. Field Name: WHITE RIVER Field Number: 92800

12. Ground Elevation: 6102 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 10/29/2010 PDOP Reading: 2.3 Instrument Operator's Name: Andy Floyd

15. If well is  Directional  Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 2149 FNL 1942 FEL Bottom Hole: 2149 FNL 1942 FEL  
Sec: 29 Twp: 2N Rng: 97W Sec: 29 Twp: 2N Rng: 97W

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: 600 ft

18. Distance to nearest property line: 1548 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 694 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.)
Wasatch	WSTC	256-9	160	NE/4

21. Mineral Ownership:  Fee  State  Federal  Indian Lease #: COC 0100022

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):

See attached sheet

25. Distance to Nearest Mineral Lease Line: 1528 ft 26. Total Acres in Lease: 2117

### 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	1,123	425	1,123	0
1ST	7+7/8	5+1/2	17#	0	7,670	1,272	7,670	0

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

33. Comments Koch Exploration Company, LLC (KEC) intends to complete the Wasatch formation in the existing Federal 7-29 wellbore. The original APD specified all formations below the Mesaverde formation as potential targets because the operator that originally drilled the well did not have rights to the Wasatch formation. KEC has since acquired the wellbore and Wasatch rights and plans test the Wasatch. The well currently has Lower Mesaverde zones open. Before testing begins on the Wasatch, the Upper Mesaverde section will be tested per the approved BLM sundry notice dated 5-19-2011 & COGCC approved sundry dated 9-22-11. The following Wasatch zones will be perforated and tested: 1416-1440' and 1525-1552'. KEC intends to commingle the Mesaverde and Wasatch production.

34. Location ID: 316325

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: Natalie L. Naeve

Title: Operations Engineer Date: 10/27/2011 Email: natalie.naeve@kochind.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**

05 103 10253 00

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
400210135	FORM 2 SUBMITTED
400218795	FED. SUNDRY NOTICE
400218801	WELLBORE DIAGRAM
400218802	WELLBORE DIAGRAM
400218945	LEGAL/LEASE DESCRIPTION

Total Attach: 5 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>

Total: 0 comment(s)

**BMP**

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

Total: 0 comment(s)