APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☐ RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR

Kinder Morgan CO2 Company, L.P.

Address City State Phone Number
P O Box 1110 St Johns, AZ 928-337-3230

Drilling Contractor
Aztec Well Servicing Co.

Address P O Box 100 Aztec, NM 87410

505-334-8729

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor

13-110471

Well number

11-8-29

Elevation (ground)

6579'

Nearest distance from proposed location to property or lease line:

1093 feet

Distance from proposed location to nearest drilling, completed or applied for
well on the same lease:

N/A feet

Number of acres in lease

640 acres

Number of wells on lease, including this well, completed in or drilling to this reservoir:

1

If lease purchased with one or more wells drilled, from whom purchased.

Name

Address

Well location (give footage from section lines)

1238 FSL & 1093 FEL

Section - Township - Range or Block and Survey

S. 8, T11N R29E, G&RSM

Dedication per A.A.C. R12-7-104(A)(3)

St Johns Gas Unit

County

APACHE

Distance in miles and direction from nearest town or post office

From Springerville P.O., N01° 53' E 15.8 miles

Proposed depth:

3600 +/-

Rotary or cable tools

Rotary

Organization Report

On file X

Approximate date work will start

Aug 15, 2012

Filing Fee of $25.00

Attached

Remarks

API 02-001-20443

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Operations Supervisor CO2 of the Kinder Morgan CO2 Co., L.P. SJ (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

6-7-12

DATE

Permit Number:

1118

Approval Date:

6-25-2012

Approved By:

STATE OF ARIZONA

OIL & GAS CONSERVATION COMMISSION

Application to Drill or Re-enter

File Two Copies

Form No. 3

(Complete Reverse Side)
1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.

2. A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.

3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.

4. Is the operator the only owner in the dedicated acreage outlined on the plat below?  YES ☑ NO __

5. If the answer to question four is no, have the interests of all owners been consolidated by communityization agreement or otherwise?  YES ___ NO ___ If answer is yes, give type of consolidation ________________________________

6. If the answer to question four is no, list all the owners and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kinder Morgan CO2 Company, L.P.</td>
<td>SE1/4 S.8, T11N R29E, G&amp;SRM</td>
</tr>
<tr>
<td>P O Box 1110 St Johns, AZ 85936</td>
<td></td>
</tr>
</tbody>
</table>

CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name: Thomas White
Position: Operations Supv CO2
Company: Kinder Morgan CO2 Co., LP
Date: June 7, 2012

I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 05/21/2012
Registered Land Surveyor: Daniel R. Muth PLS
Certificate No.: Az RLS No. 31028

PROPOSED CASING PROGRAM

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top</th>
<th>Bottom</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 3/8&quot;</td>
<td>48#</td>
<td>H-40</td>
<td>-0-</td>
<td>80'</td>
<td>80'</td>
<td>100 sks</td>
<td>Ready Mix</td>
</tr>
<tr>
<td>9 5/8&quot;</td>
<td>36#</td>
<td>J-55</td>
<td>-0-</td>
<td>1200'</td>
<td>1200'</td>
<td>400 sks</td>
<td>Class G</td>
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<tr>
<td>7&quot;</td>
<td>23#</td>
<td>J-55</td>
<td>-0-</td>
<td>3000'</td>
<td>3000'</td>
<td>800 sks</td>
<td>Class G</td>
</tr>
</tbody>
</table>