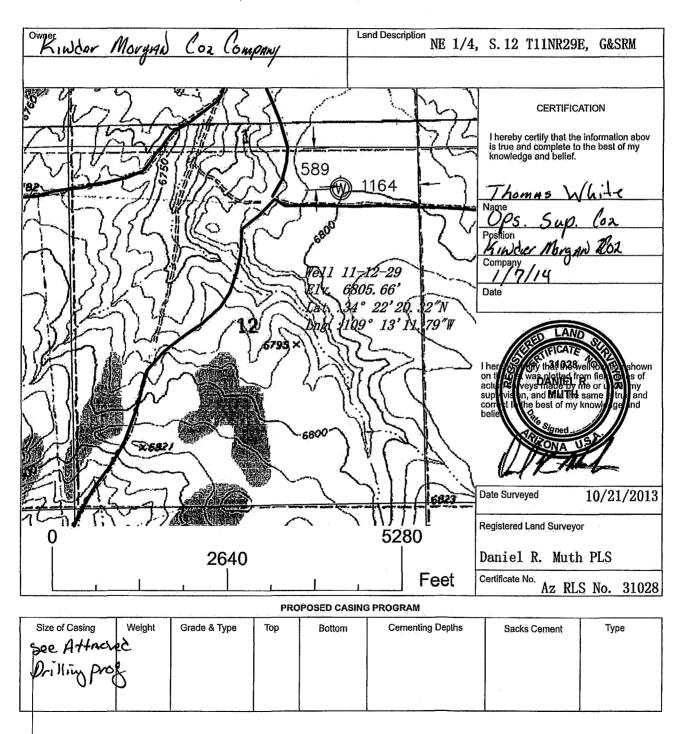
APPLICATION FOR PE	RMIT TO DRILL OR RE-ENTER		
APPLICATION TO DRILL	RE-ENTER OLD WELL		
NAME OF COMPANY OR OPERATOR			
Kinder Morgas Cos Company	L.P.		
Address	City State Phone Number		
P.O. Box 1110, ST. Johns, AZ	\$5936 928-337-3230		
Aztec Drilling			
Address			
DESCRIPTION	OF WELL AND LEASE		
Federal, State or Indian Lease Number, or If fee lease, name of lessor	Well number Elevation (ground)		
Nearest distance from proposed location to property or lease line:	Distance from proposed location to nearset drilling, completed or applied-for well on the same lease:		
4013 feet	well on the same lease:		
Number of acres in lease	Number of wells on lease, including this well, completed in or drilling to this reservoir:		
640 acres +/-	NIn		
If lease purchased with one or more wells Name	Address		
drilled, from whom purchased.			
	ownship - Range or Block and Survey T11NR29E, G&SRM Dedication per A.A.C. R12-7-104(A)(3)		
Field and reservoir (if wildcat, so state)	County		
ST. Johns Gas Livit	APACHE `		
Distance in miles and direction from nearest town or post office From Springerville P.O. N11° 52'E 16.9 m.	iles		
Proposed depth: Rotary or cable tools	Approximate date work will start		
	eary March 1, 2014		
Bond status ON File Organization Report	Orattached Attached A		
Amount (On file)	Oralizacined Alieldred //O // Nat 1		
AN 02-001-20488			
	), and that I am authorized by sald 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		
Mail completed form to: Oil and Gas Program Administrator Arizona Geological Survey 416 W. Congress, #100 Tucson, AZ 85701-1315	1/7/14 Date		
Permit Number: 1186	STATE OF ARIZONA		
Approval Date:	OIL & GAS CONSERVATION COMMISSION		
Approved By:	Application to Drill or Re-enter		
NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided	File Two Copies		

- 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 communitization 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:





## DRILLING PROGNOSIS

WELL: SJGU 11-12-29

FIELD: St Johns Gas Unit

API# TBD

SURFACE LOCATION:

NE 4, S. 12, T11N R29E, G&SRM

Apache County, Arizona 589 FNL & 1164' FEL Longitude: W 109° 13' 11.79" Latitude: N 34° 22' 20.32"

**OBJECTIVE: Precambrian Grantie** 

ELEVATION: 6,806 ft

## A FOCUSED EFFORT WILL BE EXPECTED BY ALL PARTIES TO ELIMINATE ANY / ALL ACCIDENTS DURING THE EXECUTION OF THIS DRILLING PROJECT.

## WELL PROGRAM

DRILLING PROCEDURE:

Drill a 17.5" hole to +/- 600' TVD, set 13-3/8" casing and conventionally cement to

NOTES: Drill with spud mud to the top of the Glorietta/Coconino formation. Lost circulation is likely. In the event of full losses, short trip to conductor and switch to air to TD hole section. Casing seat must be located by mud loggers and verified by Kinder Morgan Geologist.

Drill a 12-1/4" hole to +/- 1,590' TVD, set 9-5/8" casing and conventionally cement to surface.

NOTES: Drill with native water based mud. Glorietta/Cocinino and Supai may flow water; therefore, mud wt. should be raised accordingly (8.5-9.1 ppg). This section of hole will encounter water entry, lost circulation and formation sand influx that seriously will bridge and stick DP; adjust mud recipe as needed in response to hole conditions. Consult Geologist for casing seat in top of Amos Wash,

Drill a 8-3/4" hole with air to +/- 2,291' TVD, set 7" casing and conventionally cement in 2 stages to surface.

NOTES: Drill with air through Amos Wash with Reform UBD equipment. Consult geologist for casing seat in top of Granite Wash.

Drill a 6-1/8" hole with air to +/- 2,441' TVD, log Granite

NOTES: Drill with air and stiff foam mixture. Will need to spot 4% KCl gelled brine as a logging fluid. After logs are ran clean out to TD with air and dry out well bore, monitor for CO2 flow.

## CASING / CEMENTING DETAILS:

Designed TOC for easing strings @ surface Conductor => 0' - 80'

Cement: Ready Mix to surface Circulate to surface

13-3/8" 54.5# J-55 STC => 0'-600'

Cement: Conventional => See Detailed Job Recommendation

9-5/8" 36# J-55 LTC => 0' - 1.590'

Cement: Conventional => See detailed Job Recommendation.

7" 0' - 2,291'

Cement: Conventional => See detailed Job Recommendation Centralizers on 1st and 3rd joint above and below DV Tool/ECP (4)

Program was prepared using predicted mud weights and properties. It is to serve as a guideline only and should be adjusted based on actual conditions.

į l	DEPTH	CASING	HOLE	CASING
FORM	TVD	PROFILE	SIZE	SPECS
	80'	MANAGERA MAN		Conductor
San Andres	284		17-1/2*	13-3/8" 54.5-ppf J-55 STO  Adapt to conditions, recommend set at Gloriette
AIOTHELICA/CARCOTT	595			recommend set at Goriett
Yeso/Supal	792		12-1/4*	9-5/8" 36-ppf J55 STC
Ft. Apache				Set 9-5/8" casing in top o Amos Wash
Amos Wash	1586		8-3/4"	7* 23-ppf J55 STC
Oak Creek	1856			
Abo actured Granit	1866 2,291'			
Politico Cigilli	6,631	1.4 1.2		
0	0'		6-1/8"	Open Hole
Proposed TD	2,441'	* * *		