**APPLICATION FOR PERMIT TO DRILL OR RE-ENTER**

**APPLICATION TO DRILL**  □  RE-ENTER OLD WELL  □

**NAME OF COMPANY OR OPERATOR**

Kinder Morgan CO2 Company

**Address**  
830 E. Main St. Suite 220, Springerville AZ 85938

**Drilling Contractor**  
Aztec Drilling

**Address**  
Farmington, NM

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**DESCRIPTION OF WELL AND LEASE**

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if fee lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-110-709 13-110-713</td>
<td>10-31-31HSE</td>
<td>7315.6'</td>
</tr>
</tbody>
</table>

**Nearest distance from proposed location to property or lease line:**  
104 feet

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

**Number of acres in lease:**  
640 acres +/-

**Number of wells on lease, including this well, completed or drilling to this reservoir:**  
2

**If lease purchased with one or more wells drilled, from whom purchased:**  
Name  
Address

**Well location (give footage from section lines):**  
1274.6' FWL & 2507.4' FSL

**Section - Township - Range or Block and Survey:**  
S. 31, T10N R3E, G&SRM

**Dedication per A.A.C. R12-7-104(A)(3):**  
640

**Field and reservoir (If wildcat, so state):**  
APACHE

**Distance in miles and direction from nearest town or post office:**  
From Springerville P.O. N58° 42'E 11.65 miles

**Proposed depth:**  
3000' +/-

**Bond status:**  
on File  
Rotary

**Organization Report:**  
On file  
Or attached

**Remarks:**  
see attached well plan and prognosis

**API #: 02-001-20497**

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**CERTIFICATE:**  
I, the undersigned, under the penalty of perjury, state that I am the Operations Supervisor of the (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**  
[Signature]

**Date**  
1/12/2015

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**Permit Number:**  
1198

**Approval Date:**  
1-14-2015

**Approved By:**  
[Signature]

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**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 communization 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></td>
<td>S.31 T1ONR31E, G&amp;SRM</td>
</tr>
<tr>
<td></td>
<td>SW1/4</td>
</tr>
</tbody>
</table>

**Certification**

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

Thomas White

Name

Ops. Sup. C02

Position

Kinder Morgan C02

Company

1/12/2015

Date

**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</th>
<th>Cement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>See attached</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Date Surveyed 11/19/2014

Registered Land Surveyor

Daniel R. Muth PLS

Certificate No. Az RLS No. 31028
DRILLING PROGNOSIS
2015 ST JOHNS DRILLING PROGRAM

WELL: SIGU 10-31-31 HSE
AFE: 200811
PROP ID: 37873

SURFACE LOCATION:
SW 1/4, S. 31 T10N R31E
Apache County, Arizona
2507' FSL & 1275' FWL
Longitude: W 109° 06' 32.76"
Latitude: N 34° 13' 09.59"

FIELD: St Johns Gas Unit
API #: 02-001-20497

OBJECTIVE: Precambrian Granite
ELEVATION: 7,316 ft

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

GEOLOGY / FORMATION TOPS

<table>
<thead>
<tr>
<th>FORM</th>
<th>DEPTH (TVD)</th>
<th>MD</th>
<th>CASING PROFILE</th>
<th>HOLE SIZE</th>
<th>CASING SPECS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80'</td>
<td>60'</td>
<td></td>
<td>17-1/2&quot;</td>
<td>13-3/8&quot;54.5-ppf J-55 STC</td>
</tr>
<tr>
<td>San Andres</td>
<td>605</td>
<td>605</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glorieta/Cocon</td>
<td>952</td>
<td>952</td>
<td>Adapt to conditions, recommend set at Glorieta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corduroy/Yesso</td>
<td>1167</td>
<td>1,167&quot;</td>
<td></td>
<td>12-1/4&quot;</td>
<td>9-5/8&quot;36-ppf J55 STC</td>
</tr>
<tr>
<td>Ft. Apache</td>
<td>1,825&quot;</td>
<td>1,825&quot;</td>
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<tr>
<td>Big A Butte</td>
<td>1916&quot;</td>
<td>1,915&quot;</td>
<td></td>
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<td></td>
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<tr>
<td>KDP Build 8'/100'</td>
<td>2014</td>
<td>2,014&quot;</td>
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<tr>
<td>Oak Creek Abo</td>
<td>2,172&quot;</td>
<td>2,173&quot;</td>
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<tr>
<td>Fractured Gravel</td>
<td>2,629&quot;</td>
<td>2,847&quot;</td>
<td></td>
<td>6-1/8&quot;</td>
<td>Open Hole</td>
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<tr>
<td>Proposed TD</td>
<td>2,679&quot;</td>
<td>4,329&quot;</td>
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