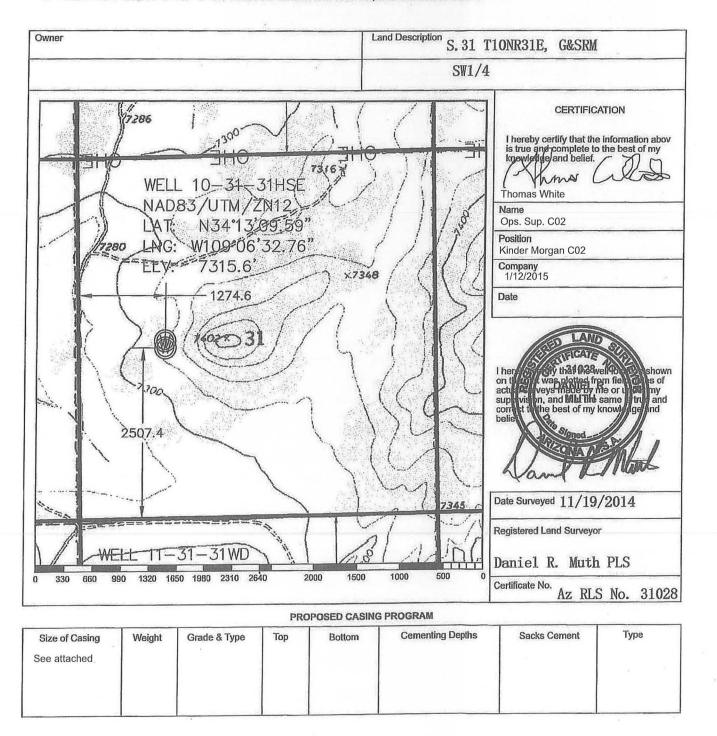
APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

| APPLICATION TO DRILL | | * | | RE-ENTER | OLD WELL | |
|---|--------------------------------|---|----------------------|---|--|--|
| NAME OF COMPANY OR OPERATOR | | | There are the second | | | y |
| Kinder Morgan C02 Company | | | | | | |
| Address | City | | | State | Phone | Number |
| 830 E. Main St. Suite 220, Springerville AZ. 85938 | | | | | | |
| Drilling Contractor Aztec Drilling | | | | *************************************** | | A STATE OF THE STA |
| Address Farmington, NM | 4 | | | | | |
| DE | ESCRIPTION OF | WELL AND LE | EASE | | | |
| Federal, State or Indian Lease Number, or if fee lease, name of les | SSOF | Well number | 10-31 | -31HSE | Elevation (ground) | 7315.6 |
| Nearest distance from proposed location to property or lease line: | | Distance from well on the sar | | cation to nears | et drilling, completed or | applied-for |
| 104 | feet | | | | | 00 feet |
| Number of acres in lease | | Number of well | s on lease, | ncluding this w | rell, completed in or drill | ing to this reservoir: |
| 640 acres | +/- | 2 | 1000 | | | Day and the same of the same o |
| If lease purchased with one or more wells drilled, from whom purchased. | | | Adı | dress | | |
| Well location (give footage from section lines) 1274. 6' FWL & 2507. 4' FSL | | hip - Range or Blo | | | Dedication per A.A.C | . R12-7-104(A)(3) |
| Field and reservoir (if wildcat, so state) | | County | | - Manual Manager | THE SECOND SECON | |
| Distance in miles and direction from nearest town or post office | | APACHE | | | | |
| CONTRACTOR OF THE PROPERTY OF | E 11.65 mi | les | | | | |
| Proposed depth: Rotary or Rotary | r cable tools 'y | Approximate date work will start March 1, 2015 | | | | |
| Bond status On File Organiza Amount On file | tion Report | Filing Fee of \$25.00 Attached Attached | | | | |
| Remarks see attached well plan and prognosis API # 02-001-20497 | | | | | - | |
| CERTIFICATE: I, the undersigned, under the penalty of particle Kinder Morgan report was prepared under my supervision and direction as | (company), an | d that I am auth | orized by | rrect and con | to make this report; | |
| | | Sign | ature | Yuma | Coos | , |
| Mail completed form to: | | Olgii | 1/12/2 | 2015 | | |
| Mail completed form to: Dil and Gas Program Administrator Arizona Geological Survey 116 W. Congress, #100 Tucson, AZ 85701-1315 | | Date | | | | |
| Permit Number: // 98 Approval Date: /-/4-20/5 Approved By: 52 Rag 6 | Allinformation | STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Application to Drill or Re-enter File Two Copies | | | | |
| NOTICE: Before sending in this form be sure that you have given requested. Much unnecessary correspondence will thu | all information is be avoided. | Form No. 3 | | | | |

- 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:





Kinder Morgan Production Co.

SJGU, Well No. 10-31-31HSE Apache County, Arizona Quote No.: 121814596 Rig: Aztec 711



SITE DETAILS: SJGU 10-31-31HSE

Site Centre Latitude: 34° 13' 9.590 N Longitude: 109° 6' 32.760 W

Positional Uncertainity: 0.00 Convergence: 1.06 Local North: Grid

Target Center Line: 2679' KBTVD

Window: 10' Above/Below Lateral

Dip: 0.00° (90.00°)

PROJECT DETAILS: Apache County, Arizona

Geodetic System: Universal Transverse Mercator (US Survey Feet)

Datum: NAD83 Arizona - HARN

Ellipsoid: GRS 1980

Zone: Zone 12S (114 W to 108 W)

System Datum: Mean Sea Level

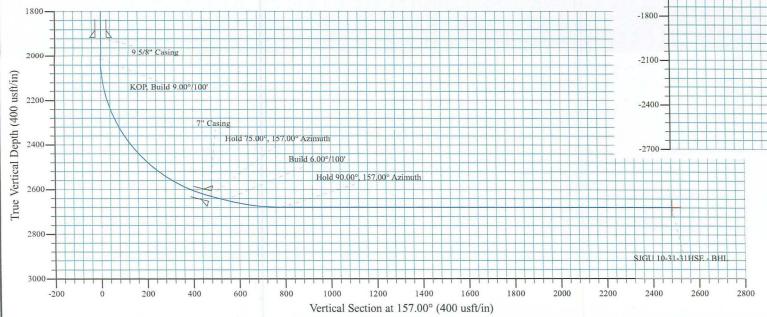


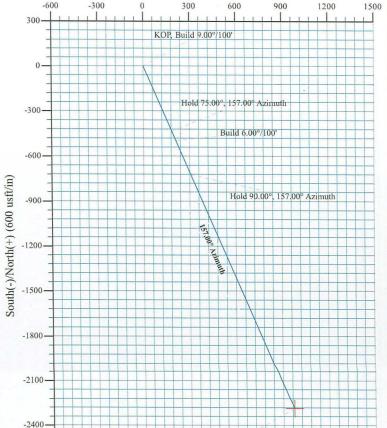
Azimuths to Grid North True North: -1.06° Magnetic North: 8.39°

> Magnetic Field Strength: 48811.3snT Dip Angle: 60.90° Date: 1/12/2015 Model: HDGM

| DESIGN TARGET DETAILS | | | | | | | | | | |
|------------------------|---------|----------|--------|-------------|--------------------|------------------|------------------|-------|--|--|
| Name | TVD | +N/-S | +E/-W | Northing | Easting 2212849.83 | Latitude | Longitude | Shape | | |
| SJGU 10-31-31HSE - BHL | 2679.00 | -2286.49 | 970.56 | 45234145.51 | | 34° 12' 46.797 N | 109° 6' 21.711 W | Point | | |

| | | | | | | | | SECTIO | N DETAI | LS | |
|-----|---------|-------|--------|---------|----------|--------|------|--------|---------|------------------------|------------------------------|
| Sec | MD | Inc | Azi | TVD | +N/-S | +E/-W | Dleg | TFace | VSect | Target | Annotation |
| 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 2 | 2014.00 | 0.00 | 0.00 | 2014.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | KOP, Build 9.00°/100' |
| 3 | 2847.43 | 75.00 | 157.00 | 2629.00 | -434.39 | 184.39 | 9.00 | 157.00 | 471.91 | | Hold 75.00°, 157.00° Azimuth |
| 4 | 2914.65 | 75.00 | 157.00 | 2646.40 | -494.16 | 209.76 | 0.00 | 0.00 | 536.84 | | Build 6.00°/100' |
| 5 | 3164.62 | 90.00 | 157.00 | 2678.94 | -721.63 | 306.32 | 6.00 | 0.00 | 783.95 | | Hold 90.00°, 157.00° Azimuth |
| 6 | 4864.61 | 90.00 | 157.00 | 2679.00 | -2286.49 | 970.56 | 0.00 | 0.00 | 2483.95 | SJGU 10-31-31HSE - BHL | PBHL - Lateral |





West(-)/East(+) (600 usft/in)

Drawn By: BLM Date Created: 12/18/14 Date Revised: 1/12/15 File: Kinder Morgan - SJGU 10-31-31HSE Lateral 1r3. wpc

DRILLING PROGNOSIS 2015 ST JOHNS DRILLING PROGRAM DRILLING PROGNOSIS

WELL: SJGU 10-31-31 HSE

AFE: 200811 PROP ID: 37873

SURFACE LOCATION: SW ¼, 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 Grantie

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

WELL PROGRAM

| 7/- | DE | PTH | CA | SING | HOLE | CASING | |
|--------------------|--------------|---|------|-------|---------|--|--|
| FORM | TVD | MD | PRO | FILE | SIZE | SPECS | |
| | | | | | | | |
| | | | | | | Conductor | |
| | 80' | 80' | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | 17-1/2" | 13-3/8" 54.5-ppf J-55 STC | |
| | | | | | | | |
| AND IN THE SECTION | 1224 | 200 | | | | | |
| San Andres | 605 | 605 | | | | | |
| | | | | | | Adapt to conditions, | |
| Slorietta/Cocon | 952 | 952" | | | | recommend set at Glorietta | |
| | | 200000000000000000000000000000000000000 | | | | | |
| | | | | | | | |
| | | | 損損 | | | | |
| orduroy/Yeso | 1167 | 1,167 | | | 12-1/4" | 9-5/8" 36-ppf J55 STC | |
| | | | | | | | |
| | | | | | | | |
| Ft. Apache | 1825 | 1,825' | | | | design code a many per y trap | |
| | | | | | | Set 9-5/8" casing in top of Amos Wash | |
| Big A Butte | 1915 | 1,915' | | | | | |
| KOP | 2014 | 2,014 | | | | | |
| Build 8*/100* | | | | | | | |
| | | | | | 8-3/4" | 7" 23-ppf J55 STC | |
| | | | | | 0-3/4 | 7 23-pp1333 010 | |
| | | | | | | | |
| 0.10 | 2422 | 0.470 | | | | | |
| Oak Creek Abo | 2172 2180 | 2,173° 2,182° | | | | 3-13 | |
| College College | 100 | 038/10/00/ | | | | | |
| ctured Granit | 2,629' | 2,847' | | EGO . | | | |
| | | | | | 6-1/8" | Open Hole | |
| | | | | | | | |
| Proposed TD | 2,679 | 4,320 | | la) | | | |