DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
2050 West Main, Suite #1, Rapid City, SD 57702-2493
Telephone: 605-394-2229, FAX: 605-394-5317

FORM 2

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JUN 15 2009
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

State of South Dakota Department of Environment and Natural Resources

APPLICATION FOR PERMIT TO DRILL

Type of Work: [X] Drill New Well [X] Reenter Well [ ] Drill Directional Well [ ] Other

Type of Well: [X] Oil Well [ ] Gas Well [ ] Injection [ ] Other

Name and Address of Operator
LUFF EXPLORATION COMPANY, 1580 LINCOLN STREET, SUITE 850, DENVER, CO 80203

Telephone
(303) 861-2468

Name and Address of Surface Owner
Timothy Brown, P.O. Box 205, Buffalo, SD 57720-0205

Name and Address of Drilling Contractor and Rig Number:
Key Energy Services, Inc., 115 34th St. West, Williston, ND 58801, Rig #233

Surface Location of Well: Qtr-Qtr, Sec, Twp, Rge, County, Feet from Nearest Lines of section, and latitude and longitude (if available):
SWNW Sec. 29-T22N-R4E, Harding County, 700' FSL x 1100' FWL; Lat = 45° 50' 41.88", Long = 103° 39' 54.06"

If Directional, top of pay and bottom hole location from nearest lines of section:
East Lateral Sidetrack: Top est @ 14,137' MD = 8728' TVD; BHL: 470' FNL x 400' FWL, Sec.28-T22N-R4E

Acres in Spacing (Drilling) Unit
Total Unitized area: approx. ± 28744.44 acres

Description of Spacing Unit
North Buffalo Red River Unit

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Brown E-29H	3098.5' GL	North Buffalo Red River Unit Red River B	E: 8728' TVD; 14,137' MD; RR

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 13-1/2"	9-5/8"	36#	2035'	963 sks	surf
2) 8-3/4"	7"	26# & 32#	8981'	607 sks	4566'*
3)					
4)					

* Not recorded above csg fluid level

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use Additional Page(s) if appropriate.
Estimated start date of August 1, 2009. Original Permit # 1730 issued on 11/16/83. Original API # 40 063 20588.

Propose to re-enter and kick off @ 12,009' MD, extending the east lateral to approximately 14,137' MD, 8728' TVD. A fresh wtr/polymer will be used to drill the extension. All drilling fluids and cuttings will be contained in a pit lined with 12 mil plastic. All liquids will be disposed of in an approved manner, the liner and the cuttings will be buried in place. Completion will be open hole in the horizontal section.

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

Signature	Name (Print)	Title	Date
[signature]	David A. Norby	Operations Manager	6/11/09

FOR OFFICE USE ONLY

Approved by: [signature] Title: Oil and Gas Supervisor

Permit No. 1946 API No. 40 063 20588.01 Date Issued: June 29, 2009

Conditions, if any, on attached page.