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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DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

APPLICATION FOR PERMIT TO DRILL

SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE

Type of Work:
☐ Drill New Well ☒ Reenter Well ☐ Drill Directional Well
☒ Other Drill NW Lateral

Type of Well:
☒ 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
Milo A. Downing, HC 63, Box 21 Ludlow, SD 57755

Name and Address of Drilling Contractor and Rig Number:
C&H Well Service Rig #104
Gillette, WY

Surface Location of Well: Qtr-Qtr, Sec, Twp, Rge, County, Feet from Nearest Lines of section, and latitude and longitude (if available):
SWSE Sec 6-T22N-R6E, Harding Co., 2495' FEL and 215'FSL, N89° 54' 56" W 26° 40' 39"

If Directional, top of pay and bottom hole location from nearest lines of section:

Red River B; 8836' TVD,1285' FWL & 2525' FSL Sec. 6-T22N-R6E

Acres in Spacing (Drilling) Unit
N/A

Description of Spacing Unit
East Harding Spring Red River "B" Unit

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Downing #1	2892 GL	EHSRRBU	

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12-1/4	8-5/8	24#	1385	500	Surf
2) 7-7/8	5-1/2	17,23 #	9090	660	4890
3)					
4)					

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.

Permit #1651; API# 40-063-20526
Set whipstock at ± 8712' TVD. Cut window and drill 4-1/2" lateral NW to approx 11,429', MD & 8838' TVD, 2676' VS. Bottom hole location approx 1285' FWL & 2515' FSL Sec. 6-T22N-R6E. Drilling fluid will be fresh water/gel polymer. All cuttings and drilling fluids will be contained in a pit lined with 12 mill plastic. All liquids will be disposed of in an approved site, the liner and cuttings will be buried in place. Completion will be open hole in the horizontal section. A preliminary horizontal well plan is attached. The estimated start date is March 15, 2007.

Blanket South Dakota Bond #4127010

I hereby verify 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
	David A. Norby	Operations Manager	

FOR OFFICE USE ONLY

Approved by: Fred W Steece Title: Oil and Gas Supervisor

Permit No. 1819 API No. 40 063 20526.02 Date Issued: February 21, 2007

Conditions, if any, on attached page.