



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
 Minerals & Mining Program - Oil & Gas Section
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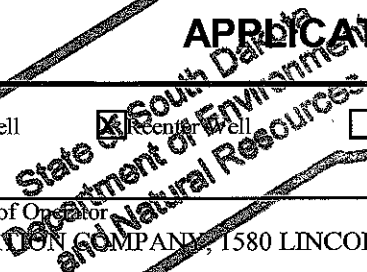
FORM 2

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JUN 08 2009

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

APPLICATION FOR PERMIT TO DRILL



Type of Work: Drill New Well Recenter Well Drill Directional Well Other

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: Stearns Brothers, LLC, P.O. Box 890, Bowman, ND 58623

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): NESE Sec. 18-T22N-R4E, Harding County, 1650' FSL x 990' FEL; Lat = 45° 52' 4.967", Long = 103° 40' 12.021"

If Directional, top of pay and bottom hole location from nearest lines of section: East Lateral Extension: Top est @ 11,722' MD = 8857' TVD; BHL 1650' FWL x 1650' FSL, Sec.17-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		
Stearns I-18 WIW	3174' GL	North Buffalo Red River Unit Red River B	Proposed: 8857' TVD; 11,722' MD; RR		
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12-1/4"	8-5/8"	24#	2098'	925 sks	surf
2) 7-7/8"	5-1/2"	15.5#, 17#, 20#, & 23#	9074'	1420 sks - Two Stage	4930'
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.

Estimated start date of July 5, 2009. Original Permit # 1327 issued on 7/23/84. Re-Entry Permit #1658 issued 11/13/00. Original API # 40 063 20407. Re-Entry API # 40 063 20407.01

Propose to re-enter and kick off @ 10,400' MD, extending the east lateral to approximately 11,722' MD, 8857' 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): David A. Norby Operations Manager Title: Operations Manager Date: 6/3/09

FOR OFFICE USE ONLY

Approved by: Title: Oil and Gas Supervisor

Permit No. 1943 API No. 40 063 20407.02 Date Issued: June 19, 2009

Conditions, if any, on attached page.