



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 Re-enter 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):
 SWSW Sec. 17-T22N-R4E, Harding County, 700' FSL x 1100' FWL; Lat = 45° 51' 55.527", Long = 103° 39' 42.573"

If Directional, top of pay and bottom hole location from nearest lines of section:
 East Lateral Sidetrack: Top est @ 11,250' MD = 8912' TVD; BHL 2310' FEL x 330' FSL, Sec.17-T22N-R4E
 West Lateral Extension: Top est @ 12,028' MD = 8893' TVD; BHL 1320' FEL x 660' FNL, Sec.19-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 M-17	3240' GL	North Buffalo Red River Unit Red River B	E: 8912' TVD; 11,250' MD; RR W: 8893' TVD; 12,028' 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#	2006'	925	surf
2) 7-7/8"	5-1/2"	17# & 23#	9153'	1250	5970'
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 15, 2009. Original Permit # 1293 issued on 11/16/83. Re-Entry Permit #1656 issued 10/30/00. Original API # 40 063 20391. Re-Entry API # 40 063 20391.01

Propose to re-enter and kick off @ 10,105' MD, sidetracking an east lateral to approximately 11,250' MD, 8912' TVD. Then kick off @ 10,652', extending west lateral to approximately 12,028' MD, 8893' 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: [Signature] Name (Print): David A. Norby Operations Manager: [Signature] Title: Operations Manager Date: 6/3/09

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Approved by: [Signature] Title: Oil and Gas Supervisor
 Permit No. 1944 API No. 40 063 20391.02 Date Issued: June 19, 2009
 Conditions, if any, on attached page.