



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

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FEB 01 2008

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

APPLICATION FOR PERMIT TO DRILL

Type of Work:  Drill New Well  Reenter Well  Drill Directional Well  Other  
 Type of Well:  Oil Well  Gas Well  Injection  Other

Name and Address of Operator: LUFF EXPLORATION COMPANY, 2588 LINCOLN STREET, SUITE 850, DENVER, CO 80203  
 Telephone: (303) 861-2468

Name and Address of Surface Owner: Greg & Heidi Miller, RR1, Box 919, Bowman, North Dakota 58623-8601

Name and Address of Drilling Contractor and Rig Number: Nabors Drilling USA, P.O. Box 2396, Williston, ND 58802, Rig #684

Surface Location of Well: Qtr-Qtr, Sec, Twp, Rge, County, Feet from Nearest Lines of section, and latitude and longitude (if available):  
 NWNE Sec. 28-T23N-R6E, Harding County, 1000' FNL x 2100' FWL; Lat = 45 55' 58.81", Long = 103 23' 21.51"  
 NEW

If Directional, top of pay and bottom hole location from nearest lines of section:  
 Top est @ 9380' MD = 9050' TVD; BHL 1000' FNL x 1100' FEL, Sec. 27-T23N-R6E

Acres in Spacing (Drilling) Unit: 640 acres  
 Description of Spacing Unit: N/2 Sec. 28-T23N-R6E + N/2 Sec. 27-T23N-R6E

Well Name and Number		Elevation	Field and Pool, or Wildcat		Proposed Depth and Formation
Miller C-28H		2908.4' GL	Corey Butte Field Red River B		9050' TVD; 16,275' 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#	2000'	765 sx Premium & Midcon, 3% & 2% salt + misc.	surf
2) 8-3/4"	7"	23#,29#,26#	9380'	700 sx Class G/POZ + various additives	3500'
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.

Drill a medium radius horizontal well in the Red River "B" formation. Drill 13-1/2" surface hole to 2000' and run 9-5/8" casing. Circ cement. Drill 8-3/4" vertical hole to KOP at approx 8480', run correlation log and directional survey. Drill build section with an approx azimuth of 90 deg and land in the top of the "B" zone at 9380' MD = 9050' TVD with a BHL 550' east and 0' north of the surf loc. Run and cement 7" csg. Vertical and build sections drilled with invert mud. Drill a 6" lateral in the "B" zone to approx 16,275' MD = 9050' TVD at BHL approx 1000' FNL x 1100' FEL Sec. 27-T23N-R6E. Fresh water/polymer will be used for the horizontal section. 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 method, the liner and cuttings will be buried in place. The estimated start date for location construction is Feb. 10, 2008. Estimated start date for drilling is March 1, 2008.

Blanket South Dakota bond #4127010

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 Title: Operations Manager Date: 1/29/2008

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Approved by: Title: Oil and Gas Supervisor  
 Permit No. 1855 API No. 40 063 20632 Date Issued: February 14, 2008  
 Conditions, if any, on attached page.