



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES  
 Minerals & Mining Program - Oil & Gas Section  
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FEB 04 2008

DEPT OF ENVIRONMENT & NATURAL  
 RESOURCES - RAPID CITY

## APPLICATION FOR PERMIT TO DRILL

Type of Work:		Type of Well:			
<input checked="" type="checkbox"/> Drill New Well	<input type="checkbox"/> Re-enter Well	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well		
<input type="checkbox"/> Other	<input type="checkbox"/> Drill Directional Well	<input type="checkbox"/> Other	<input type="checkbox"/> Injection		
Name and Address of Operator		Telephone			
LUFF EXPLORATION COMPANY, 1680 LINCOLN STREET, SUITE 850, DENVER, CO 80203		(303) 861-2468			
Name and Address of Surface Owner					
Merle & Bettyna Johnson, PO Box 2, Scranton, North Dakota 58653-0025					
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-Of, Sec, Twp, Rge, County, Feet from Nearest Lines of section, and latitude and longitude (if available):					
NWNE Sec. 16-T22N-R6E, Harding County, 2420' FEL x 700' FNL; Lat = 45 52' 33.20", Long = 103 23' 08.90"					
If Directional, top of pay and bottom hole location from nearest lines of section:					
Top est @ 9230' MD = 8935' TVD; BHL 700' FNL x 700' FEL, Sec. 15-T22N-R6E					
Acres in Spacing (Drilling) Unit		Description of Spacing Unit			
960 acres		All Sec. 15-T22N-R6E + E/2 Sec. 16-T22N-R6E			
Well Name and Number		Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation	
Johnson B-16H		2993.3' GL	Pete's Creek Field Red River B	8935' TVD; 15,709' 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#	9230'	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 8425', 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 9230' MD = 8935' TVD with a BHL 510' 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 15,710' MD = 8935' TVD at BHL approx 700' FNL x 700' FEL Sec. 15-T22N-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 February 15, 2008. Estimated start date for drilling is March 25, 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)		Title	
		David A. Norby		Operations Manager	
				Date	
				1/29/2008	

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Approved by:	Title: <u>Oil and Gas Supervisor</u>
Permit No. <u>1856</u>	API No. <u>40 063 20633</u>
Date Issued: <u>February 14, 2008</u>	
Conditions, if any, on attached page.	