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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AUG 04 2008
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RAPID CITY

APPLICATION FOR PERMIT TO DRILL

Type of Work:
[x] Drill New Well [ ] Reenter Well [ ] Drill Directional Well
[ ] Other

Type of Well:
[x] 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
Greg & Heidi Miller, RR1, Box 119, Bowman, ND 58623-8601

Name and Address of Drilling Contractor and Rig Number:
Nabors Drilling USA, PO 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):
28 SWSE Sec ~~8~~-T23N-R6E, Harding Co., 1200' FSL x 1700' FEL, N 45° 55' 28.39" W 103° 22' 59.16"

If Directional, top of pay and bottom hole location from nearest lines of section:
Top est @ 9327' MD = 9016' TVD; BHL 1200' FSL x 2080' FEL, Sec. 27-T23N-R6E

Acres in Spacing (Drilling) Unit
640 acres Order 20-2007

Description of Spacing Unit
S/2 Sec. 28-T23N-R6E + S/2 Sec. 27-T23N-R6E

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Miller O-28H	2884.4' ungraded	Corey Butte Field Red River B	9005' TVD; 13,800' 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#	9327'	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 8470'. Drill build section with an approximate azimuth of 90 deg and land in the top the the "B" zone at 9327' MD = 9016' TVD with a BHL 545' east and 0' north of the surf loc. Run and cement 7" casing. Vertical and build sections drilled with invert mud. Drill a 6" lateral in the "B" zone to approx. 13,682' MD = 9016' TVD at BHL approx 1200' FSL x 2080' FEL Sec. 27-T23N-R6E. Fresh water/polymer will be used fo 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 line and cuttings will be buried in place. The estimated start date for location construction is 8/15/08. Estimated start date for drilling is 9/10/08.

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	David A. Norby Name (Print)	Operations Manager Title	7/29/08 Date

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Approved by: [signature] Title: Oil and Gas Supervisor

Permit No. 1882 API No. 40 063 20656 Date Issued: August 25, 2008

Conditions, if any, on attached page.