



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
 Minerals & Mining Program
 2050 West Main, Suite #1, Rapid City, SD 57702-2493
 Telephone: 605-773-4201, FAX: 605-394-5317

FORM 2
RECEIVED
 JAN 25 2018

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: Water Disposal

Name and Address of Operator: _____ Telephone: _____
 Luff Exploration Company, 1580 Lincoln, Suite 850, Denver, CO 80203 303-861-2468

Name and Address of Surface Owner:
 Y+ Ranch, 12601 Cox Road, Ludlow, SD 57755

Name and Address of Drilling Contractor and Rig Number:
 Key Energy Services, 5077 141st Avenue NW, Williston, ND 58801; Rig 887

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
 SWSW, Section 13, T22N, R4E; Harding; 760' FSL & 562' FWL; Lat 45° 51' 55.669"; Long 103°, 34' 51.777"

If Directional, top of pay and bottom hole location from nearest lines of section:

Acres in Spacing (Drilling) Unit: _____ Description of Spacing Unit: _____
 N/A N/A

Well Name and Number:	Elevation:	Field and Pool, or Wildcat:	Proposed Depth and Formation:
Cave Hills M-13	3123' GL (Graded)	Clarkson Ranch	4970', Dakota

Size of Hole:	Size of Casing:	Weight per Foot:	Depth:	Cementing Program (amount, type, yield, additives)	Top of Cement:
1) 12-1/4"	8-5/8"	24#	2000'	471 sks Lite, Tail w/ 200 sks Premium	Surface
2) 7-7/8"	5 1/2"	15.5#	4970'	153 sks Lite, Tail w/ 274 sks Premium	2000'
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 vertical well to the Dakota formation. Drill 12-1/4" surface hole to 2000' with fresh water. Run 8-5/8" casing and cement to surface. Drill 7-7/8" vertical hole to 4970'. Run 5-1/2" casing and cement to 2000'. Estimated start date for location construction is 3/1/18. Estimated start date for drilling is 5/20/18.

Pit Liner Specifications: All drilling fluids and cuttings will be contained in a pit lined with a 12 mil plastic liner

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): Richard D. George Title: Manager of Operations Date: 1/24/2018

FOR OFFICE USE ONLY

Approved By: [Signature] Title: Administrator Minerals Mining Program
 Permit No.: 2076 API No.: 40 063 20783 Date Issued: 2/6/2018
 Conditions, if any, on attached page. see attached



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

PERMIT CONDITIONS

Luff: Cave Hills M-13
22N-4E-13 SWSW, Harding County

Permit: 2076
API: 40 063 20783

Approval has been granted to drill this location as detailed on the attached Application for Permit to Drill (Form #2) with the following additional conditions:

1. This permit is conditioned on compliance with all applicable requirements of South Dakota Codified Laws 45-9 and Administrative Rules of South Dakota 74-12.
2. If drilling does not commence within one year from the issuance date, this permit will expire.
3. A 12-mil woven, reinforced high-density polyethylene liner must be used on all pits.
4. Surface runoff must be diverted around the drill site.
5. Injection into the Inyan Kara must be delayed until the underground injection control permit for saltwater disposal has been approved.
6. If abandoned, a plugging plan must be submitted to the department for review and approval. The plugging plan should address all requirements found in Administrative Rules of South Dakota 74:12:03.
 - A. If long string is left in the wellbore, a mechanical integrity test must be conducted to verify the integrity of the casing as required by rule 74:12:03:02(4)(b)(ii).
 - B. The casing string must be cut off at least three feet below the final ground surface contour. A plate with the name of the operator, well name and number, and legal location by quarter-quarter section, township and range must be welded to the casing stub. The location of the abandoned well must be surveyed with high resolution global positioning system equipment or other appropriate survey methods sufficient to accurately locate the well. Survey coordinates must be included in the final abandonment report.
7. Surface reclamation of the site must be completed within one year of plugging and abandoning the well.
8. A washed and dried set of sample cuttings (or cores, if cut) must be shipped, free of charge, to:

Derric Iles
Geological Survey Program
Akeley-Lawrence Science Center
University of South Dakota
414 E. Clark Street
Vermillion, SD 57069-2390

9. Please notify this office at least 72 hours prior to plugging or MIT so a witness can be on location. If plugging or MIT will occur after regular business hours, call Jeff Klenner at (605) 929-1414.