

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

257794

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Kodiak Petroleum (Montana), Inc. Suite 460, 734-7 th Ave. SW, Calgary, Alberta, Canada, T2P3P8		² OGRID Number X.S.
³ Property Code 370145	⁵ Property Name SOFIA	⁴ API Number 30 - 059 - 20485
⁹ Proposed Pool 1 GLORIETA		¹⁰ Proposed Pool 2 YESO

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	18	25N	30E	1	305'	North	759'	West	UNION

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code C	¹³ Cable/Rotary R	¹⁴ Lease Type Code Private	¹⁵ Ground Level Elevation 6261'
¹⁶ Multiple N	¹⁷ Proposed Depth 1801'	¹⁸ Formation Yeso	¹⁹ Contractor Scorpion Drilling	²⁰ Spud Date End of February
Depth to Groundwater: Max depth to water from NM office of state engineer report is 275'		Distance from nearest fresh water well: 5530'		Distance from nearest surface water: surface tank 4000' from well center
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 500 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
9.875	7	17	350	125	surface
6.25	4.5	9.5	1801	200	surface


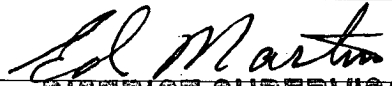
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill new well to evaluate the Glorieta and Yeso formations. Drill surface hole with fresh water using some bentonite if needed for hole stability. Run surface casing and cement to surface. Air drill main hole to TD. Run production casing and cement to surface.

BOP Program:
2000 pound double ram BOP system with nitrogen backup rented from Weatherford.
RBOP and blooie line used for air drilling main hole.

Please keep this well licence classified for 90 days.

NEW MEXICO BUREAU OF MINES, SOCORRO
AT AT LEAST TEN FOOT INTERVALS
COLLECT AND SACK SAMPLES FOR
NEW MEXICO BUREAU OF MINES, SOCORRO
AT AT LEAST TEN FOOT INTERVALS

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Glenn Watt		Title: DISTRICT SUPERVISOR	
Title: V.P. Operations		Approval Date: 2/22/08 Expiration Date: 2/22/10	
E-mail Address: g.watt@kodiakpetroleum.com			
Date: February 4, 2008	Phone: 403-262-8044	Conditions of Approval Attached <input type="checkbox"/>	

OIL CONSERVATION COMMISSION TO BE NOTIFIED
WITHIN 24 HOURS OF BEGINNING OPERATIONS

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-059-20485		² Pool Code	³ Pool Name
⁴ Property Code 370145	⁵ Property Name SOFIA		⁶ Well Number 1
⁷ OGRID No. 257794 250434	⁸ Operator Name KODIAK ENERGY, INC.		⁹ Elevation 6261'

¹⁰ Surface Location

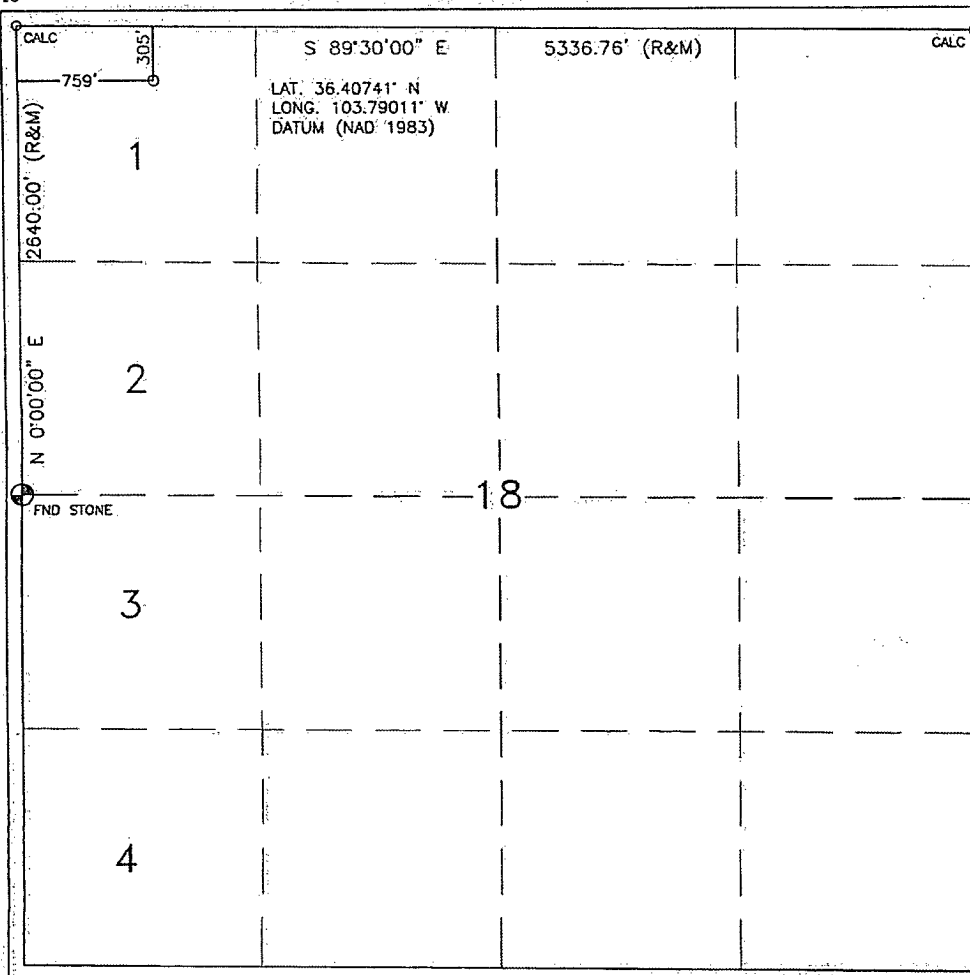
UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	18	25N	30E	1	305'	NORTH	759'	WEST	UNION

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner or a compulsory pooling order heretofore entered by the division.

Signature

Date

Printed Name

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 20, 2007

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell
DAVID R. RUSSELL
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
10201

DAVID RUSSELL

Certificate Number

10201



KODIAK ENERGY, INC.
Suite 460, 734 7 Ave SW,
Calgary, Alberta T2P 3P8

February 4, 2008

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM
87505

Attention: Ed Martin

Dear Sir:

Please find enclosed the C101's and C102's for the 4 wells Kodiak Petroleum (Montana), Inc. is applying to drill in Union County. Please let me know if you need any further information regarding these applications. As mentioned on the C101's Kodiak would like to request the 90 day confidentiality period regarding the content of these licence applications.

You can contact me any time on my cell phone at 403-589-9125 or via email at g.watt@kodiakpetroleum.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Watt", with a long horizontal stroke extending to the right.

Glenn Watt

V.P. Operations

G.WATT@KODIAK.PETROLEUM.COM