

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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| 5. Lease Serial No. COC070241 | |
| 6. If Indian, Allottee or Tribe Name n/a | |
| 7. If Unit or CA Agreement, Name and No. n/a | |
| 8. Lease Name and Well No. Federal RG 42-15-298 | |
| 9. API Well No. pending | |
| 10. Field and Pool, or Exploratory Sulphur Creek | |
| 11. Sec., T. R. M. or Blk. and Survey or Area Sec. 14, T2S-R98W, 6th P.M. | |
| 12. County or Parish Rio Blanco | 13. State CO |
| 14. Distance in miles and direction from nearest town or post office* Approximately 20 miles Southeast of Rangely, Colorado | |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2,859' (SHL: Property Line) 656' (BHL: Lease Line) | 16. No. of acres in lease 974.82 |
| 17. Spacing Unit dedicated to this well Unspaced | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1223' | 19. Proposed Depth 10,971' MD; 10,851' TVD |
| 20. BLM/BIA Bond No. on file NMB000396 | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6555' GL | 22. Approximate date work will start* 04/15/2011 |
| | 23. Estimated duration 45-60 days |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

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| 25. Signature  | Name (Printed/Typed) Matt Barber | Date 8-23-2010 |
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Title
Sr. Regulatory Specialist

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| Approved by (Signature) | Name (Printed/Typed) | Date |
|-------------------------|----------------------|------|

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| Title | Office |
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Application approval does **not** warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.