

FORM
2A

Rev
04/01

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



| | | | |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

Document Number:
400085364

Oil and Gas Location Assessment

New Location Amend Existing Location Location#: 313315

Submit original plus one copy. This form is to be submitted to the COGCC prior to any ground disturbance activity associated with oil and gas development operations. This Assessment may be approved as a stand alone application or submitted as an informational report accompanying an Application for Permit-To-Drill, Form 2. Approval of this Assessment will allow for the construction of the below specified location; however, it does not supersede any land use rules applied by the local land use authority. This form may serve as notice to land owners and other interested parties, please see the COGCC web site at <http://colorado.gov/cogcc/> for all accompanying information pertinent to this Oil and Gas Location Assessment.

Location ID:
313315
Expiration Date:
10/03/2013

This location assessment is included as part of a permit application.

1. CONSULTATION

- This location is included in a Comprehensive Drilling Plan. CDP # _____
- This location is in a sensitive wildlife habitat area.
- This location is in a wildlife restricted surface occupancy area.
- This location includes a Rule 306.d.(1)A.ii. variance request.

2. Operator

Operator Number: 10112
Name: FOUNDATION ENERGY MANAGEMENT LLC
Address: 14800 LANDMARK BLVD STE #220
City: DALLAS State: TX Zip: 75254

3. Contact Information

Name: Venessa Langmacher
Phone: (303) 857-9999
Fax: (303) 450-9200
email: vllpermitco@aol.com

4. Location Identification:

Name: Roundup Number: 22-24D
County: MOFFAT
QuarterQuarter: SE NW Section: 24 Township: 7N Range: 93W Meridian: 6 Ground Elevation: 6496
Define a single point as a location reference for the facility location. This point should be used as the point of measurement in the drawings to be submitted with this application. When the location is to be used as a well site then the point shall be a well location.
Footage at surface: 2170 feet, from North or South section line: FNL and 1930 feet, from East or West section line: FWL
Latitude: 40.544783 Longitude: -107.784192 PDOP Reading: 3.0 Date of Measurement: 07/29/2010
Instrument Operator's Name: Brandon Bowthorpe

5. Facilities (Indicate the number of each type of oil and gas facility planned on location):

| | | | | |
|--|---|--|--|--|
| Special Purpose Pits: <input type="text" value="1"/> | Drilling Pits: <input type="text"/> | Wells: <input type="text" value="1"/> | Production Pits: <input type="text"/> | Dehydrator Units: <input type="text"/> |
| Condensate Tanks: <input type="text"/> | Water Tanks: <input type="text" value="1"/> | Separators: <input type="text" value="1"/> | Electric Motors: <input type="text"/> | Multi-Well Pits: <input type="text"/> |
| Gas or Diesel Motors: <input type="text"/> | Cavity Pumps: <input type="text"/> | LACT Unit: <input type="text"/> | Pump Jacks: <input type="text" value="1"/> | Pigging Station: <input type="text"/> |
| Electric Generators: <input type="text"/> | Gas Pipeline: <input type="text"/> | Oil Pipeline: <input type="text"/> | Water Pipeline: <input type="text"/> | Flare: <input type="text"/> |
| Gas Compressors: <input type="text"/> | VOC Combustor: <input type="text" value="1"/> | Oil Tanks: <input type="text" value="2"/> | Fuel Tanks: <input type="text"/> | |

Other: _____

6. Construction:

Date planned to commence construction: 10/01/2010 Size of disturbed area during construction in acres: 1.00
Estimated date that interim reclamation will begin: 05/01/2011 Size of location after interim reclamation in acres: 0.50
Estimated post-construction ground elevation: 6496 Will a closed loop system be used for drilling fluids: Yes
Will salt sections be encountered during drilling: Yes No X Is H2S anticipated? Yes No X
Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes No X
Mud disposal: Offsite X Onsite Method: Land Farming Land Spreading Disposal Facility X
Other:

7. Surface Owner:

Name: Phone:
Address: Fax:
Address: Email:
City: State: Zip: Date of Rule 306 surface owner consultation:
Surface Owner: X Fee State Federal Indian
Mineral Owner: X Fee State Federal Indian
The surface owner is: X the mineral owner committed to an oil and gas lease
X is the executer of the oil and gas lease the applicant
The right to construct the location is granted by: X oil and gas lease Surface Use Agreement Right of Way
applicant is owner
Surface damage assurance if no agreement is in place: \$2000 \$5000 Blanket Surety ID

8. Reclamation Financial Assurance:

X Well Surety ID: 20050066 Gas Facility Surety ID: Waste Mgnt. Surety ID:

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes No X
Distance, in feet, to nearest building: 3468 , public road: 3484 , above ground utilit: 1875
, railroad: 5280 , property line: 1930

10. Current Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP
Non-Crop Land: X Rangeland Timber Recreational Other (describe):
Subdivided: Industrial Commercial Residential

11. Future Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP
Non-Crop Land: X Rangeland Timber Recreational Other (describe):
Subdivided: Industrial Commercial Residential

12. Soils:

List all soil map units that occur within the proposed location. Attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to used when segregating topsoil.

The required information can be obtained from the NRCS web site at <http://soildatamart.nrcs.usda.gov/> or from the COGCC web site GIS Online map page found at <http://colorado.gov/cogcc>. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: 50: Cushool fine sandy loam: 3 to 12% slopes

NRCS Map Unit Name: _____

NRCS Map Unit Name: _____

13. Plant Community:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes No

Plant species from: NRCS or, field observation Date of observation: _____

List individual species: _____

Check all plant communities that exist in the disturbed area.

- Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
- Native Grassland (Bluestern, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
- Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
- Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
- Mountain Riparian (Cottonwood, Willow, Blue Spruce)
- Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
- Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
- Alpine (above timberline)
- Other (describe): _____

14. Water Resources:

Rule 901.e. may require a sensitive area determination be performed. If this determination is performed the data is to be submitted with the Form 2A.

Is this a sensitive area: No Yes Was a Rule 901.e. Sensitive Areas Determination performed: No Yes

Distance (in feet) to nearest surface water: 1601, water well: 4608, depth to ground water: 80

Is the location in a riparian area: No Yes Was an Army Corps of Engineers Section 404 permit filed No Yes

Is the location within a Rule 317B Surface Water Suppl Area buffer zone:

No 0-300 ft. zone 301-500 ft. zone 501-2640 ft. zone

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: No Yes

15. Comments:

This location is more than one mile from a railroad.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: 08/23/2010 Email: VLLPermitco@aol.com

Print Name: Venessa Langmacher Title: Regulatory Supervisor

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

David S. Neslin

COGCC Approved: _____

Director of COGCC

Date: 10/4/2010

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

Reserve pit must be lined. If the existing reserve/drilling or multi-well pit is not lined, then it must be lined in accordance with COGCC Rule 904 prior to being used.

No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures sufficiently protective of nearby surface water. If fluids are conveyed via pipeline, operator must implement best management practices to contain any unintentional release of fluids.

The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|-------------------------|----------------------|
| 2033353 | PROPOSED BMPs | LF@2537965 2033353 |
| 2033354 | CORRESPONDENCE | LF@2537982 2033354 |
| 400085364 | FORM 2A SUBMITTED | LF@2529465 400085364 |
| 400086788 | ACCESS ROAD MAP | LF@2529466 400086788 |
| 400086789 | HYDROLOGY MAP | LF@2529467 400086789 |
| 400086790 | LOCATION DRAWING | LF@2529468 400086790 |
| 400086792 | CONST. LAYOUT DRAWINGS | LF@2529469 400086792 |
| 400086795 | LOCATION PICTURES | LF@2529470 400086795 |
| 400086797 | REFERENCE AREA MAP | LF@2529471 400086797 |
| 400086798 | REFERENCE AREA PICTURES | LF@2529473 400086798 |
| 400086799 | NRCS MAP UNIT DESC | LF@2529474 400086799 |

Total Attach: 11 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| DOW | CDOW has pre-consulted with the ooperator and the landowner. CDOW affirms that the provisions of the surface use agreement and the operator submitted BMP's for the protection of wildlife as conditions of approval for this location. Submitted by: Ed Winters, Land Use Specialist 9 September 2010 @ 11:46 | 9/9/2010 11:48:18 AM |
| OGLA | Initiated/Completed OGLA Form 2A review on 08-30-10 by Dave Kubeczko; requested clarifications and acknowledgement of fluid containment, spill/release BMPs, cuttings low moisture, no pit in fill, reserve pit lined BMPs COAs from operator on 08-30-10; received clarifications and acknowledgement of COAs from operator on 08-30-10; passed by CDOW on 09-09-10, with CDOW/operator agreed upon BMPs (attached on 09-08-10) acceptable; passed OGLA Form 2A review on 09-15-10 by Dave Kubeczko; fluid containment, spill/release BMPs, cuttings low moisture, no pit in fill, reserve pit lined COAs. | 8/30/2010 1:49:37 PM |
| Permit | Well is located in SWH area. Opr-Venessa gave permission to state in Sec I. | 8/25/2010 9:23:18 AM |

Total: 3 comment(s)

Error: Subreport could not be shown.