

FORM
2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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



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| DE | ET | OE | ES |
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Document Number:

400174558

Plugging Bond Surety

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐

Sidetrack ☐

3. Name of Operator: FOUNDATION ENERGY MANAGEMENT LLC

4. COGCC Operator Number: 10112

5. Address: 14800 LANDMARK BLVD STE #220

City: DALLAS State: TX Zip: 75254

6. Contact Name: Lisa Smith Phone: (303)8579999 Fax: (303)4509200

Email: lspermitco@aol.com

7. Well Name: Banta Ridge Federal Well Number: 6-18-1-103

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 4920

WELL LOCATION INFORMATION

10. QtrQtr: Lot 4 Sec: 18 Twp: 1S Rng: 103W Meridian: 6

Latitude: 39.957306 Longitude: -109.005369

Footage at Surface: 1222 feet FNL/FSL 647 feet FEL/FWL FSL FWL

11. Field Name: Banta Ridge Field Number: 5200

12. Ground Elevation: 6055 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 01/27/2011 PDOP Reading: 1.8 Instrument Operator's Name: Gary Streeter

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

| | | | | | |
|------------------------------|----------------|-----------------|----------------|----------------|-----------------|
| Footage at Top of Prod Zone: | FNL/FSL | FEL/FWL | Bottom Hole: | FNL/FSL | FEL/FWL |
| <u>1957</u> | <u>FSL</u> | <u>1807</u> | <u>1957</u> | <u>FSL</u> | <u>1807</u> |
| Sec: <u>18</u> | Twp: <u>1S</u> | Rng: <u>103</u> | Sec: <u>18</u> | Twp: <u>1S</u> | Rng: <u>103</u> |
| | | <u>W</u> | | | <u>W</u> |

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 5280 ft

18. Distance to nearest property line: 647 ft 19. Distance to nearest well permitted/completed in the same formation: 619 ft

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Mancos B | MNCSB | | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC56873

22. Surface Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☒ Yes ☐ No Surface Surety ID#:

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☒ Yes ☐ No

23b. If 23 is No: ☐ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

See Attached

25. Distance to Nearest Mineral Lease Line: 664 ft

26. Total Acres in Lease: 1597

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☒ Offsite ☐ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☐ Land Spreading ☒ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 8+5/8 | 24 | 0 | 415 | 100 | 415 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.5 | 0 | 4,920 | 970 | 4,920 | 0 |

32. BOP Equipment Type: ☐ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments 2000 PSI

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

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

Signed: _____ Print Name: Lisa Smith

Title: President Date: 6/16/2011 Email: lspermitco@aol.com

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

COGCC Approved: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 400174558 | FORM 2 SUBMITTED |
| 400176095 | PLAT |
| 400176099 | SURFACE PLAN |
| 400176101 | LEGAL/LEASE DESCRIPTION |
| 400176112 | DEVIATED DRILLING PLAN |

Total Attach: 5 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---------|--------------|
| | | |

Total: 0 comment(s)

BMP

| Type | Comment |
|------|---------|
| | |

Total: 0 comment(s)