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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 FSL 647 feet 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 _____
1957 FSL 1807 FWL 1957 FSL 1807 FWL
 Sec: 18 Twp: 1S Rng: 103 Sec: 18 Twp: 1S Rng: 103
W W

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

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

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)