

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

Document Number:
 400175613
 Plugging Bond Surety

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: 12B-18-1-103
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 4608

WELL LOCATION INFORMATION

10. QtrQtr: Lot 2 Sec: 18 Twp: 1S Rng: 103W Meridian: 6
 Latitude: 39.964631 Longitude: -109.004294
 Footage at Surface: 1396 feet FNL 947 feet FWL
 11. Field Name: Banta Ridge Field Number: 5200
 12. Ground Elevation: 5859 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 _____
1913 FNL 650 FWL 1913 FNL 650 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: 947 ft 19. Distance to nearest well permitted/completed in the same formation: 626 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.)
Niobrara	NBRR			

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: 650 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	9+5/8	36	0	1,400	534	1,400	0
OPEN HOLE	8+3/4			0	6,929	796	6,929	5,531

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: _____ 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
400171893	FORM 2 SUBMITTED
400172175	PLAT

Total Attach: 2 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>
Construction	<p>Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion.</p> <p>Operator will implement best management practices to contain any unintentional release of fluids.</p> <p>Operator has designed the well pad with insloping and a storm water control ditch to prevent storm water run-on/runoff and the release of fluids from the location. See attached Construction Layout Drawing.</p> <p>Fresh water for the Fresh Water Storage Pit comes from water provider; water sources permitted for consumable industrial use.</p> <p>Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit.</p> <p>Fresh Water Storage Pit shall contain fresh water only and signage prohibiting the use of the pit for any fluid that does not come from municipal, irrigation or surface water source.</p> <p>The location will be fenced and the fenced area will include the Fresh Water Storage Pit.</p> <p>The COGCC to be notified 48 hours prior to construction of the Fresh Water Storage Pit.</p>

Total: 1 comment(s)