

Vecta Oil & Gas, Ltd.  
**Vecta 3-18-2-97**  
990' FSL 1,650' FWL (SE/4 SW/4)  
Sec. 18 T2N R97W  
Rio Blanco County, Colorado  
Surface: Federal  
Federal Mineral Lease: COC64455

## **SURFACE USE PLAN OF OPERATIONS**

**REVISED: JUNE 20, 2011**

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 and supporting Bureau of Oil & Gas Management (BLM) documents. This NOS process included an onsite meeting on April 11, 2011, prior to the submittal of this application, at which time the specific concerns of Vecta Oil & Gas, Ltd. (Vecta) and the BLM were discussed. All specific concerns are addressed herein, as are specific stipulations from the BLM.

\* Specific stipulations arising from an onsite meeting are shown as starred.

### WELL LOCATION AND INTRODUCTION:

The wellsite was staked at 990' FSL 1,650' FWL (SE/4 SW/4) of Sec. 18 T2N R97W on March 22, 2011, by DR Griffin & Associates, Inc. (DRG), surveyor, on behalf of Vecta, on a site that is geologically and topographically acceptable.

A Notice of Staking (NOS) was submitted on January 30, 2011 to BLM in Meeker, Colorado for this location. An onsite meeting was held on April 11, 2011. Attending were: Bureau of Land Management (BLM); Ed Hollowed – Wildlife Biologist, Bob Lange - Hydrologist, Christina Barlow – Natural Resource Specialist; Colorado Division of Wildlife (CDOW); Ed Winters – Wildlife Biologist; Permit Agent (Banko Petroleum Management, Inc.) Christopher A. (Bob) Noonan; Vecta Oil & Gas, Ltd – Steve McPherson - Landman.

### DIRECTIONS TO LOCATION:

Beginning at the town of Meeker travel westerly on State Highway 13 for ±2.1 miles. Turn right onto State Highway 64 and drive northerly for ±22.6 miles. Turn left onto a dirt road and proceed northwesterly ±1.4 miles. Turn right onto a dirt road and proceed northwesterly for 0.2 miles. Turn right onto the proposed access road and travel northwesterly ±63.7' to the proposed staked location.

#### 1) EXISTING ROADS (See Sheets 1A, 4, and 6)

- A) The well is an exploration well.
- B) Existing roads within one 0.01 miles consists of an existing resource road.
- C) Plans for improvement and/or maintenance of existing roads are to maintain in as good or better conditions than at present.

All access roads will be maintained so as to meet BLM Manual Section 9113 standards for road shape and drainage features at all times during construction, drilling and production.

2) PLANNED ACCESS ROADS (See Exhibits 4A and 5)

±63.7' – Total new road construction – Sec. 18 T2N R97W – Fee Surface

- A) Running surface width to be approximately 14'-16', total disturbed width to be no more than (35)'. Plans for improvement and/or maintenance of existing roads are to maintain in as good or better conditions than at present. A regular maintenance plan will include, but not be limited to blading, ditching, and surfacing.
- B) Borrow ditches to be backsloped 3:1 or shallower. Weather permitting, the access road will be mowed and the borrow ditch material will be pulled over the top of the mowed area. Any disturbance associated with gaining access to the location for this development will need to be reclaimed under all circumstances, even if the well does not produce in paying quantities.
- C) Maximum grade will not exceed BLM standards
- D) One 18" X 30" culvert will be installed prior to the commencement of drilling operations, as shown on Sheets 2, 2A and 4. Drainage to consist of wing ditches between the existing road and the wellsite to be installed prior to commencing drilling operations. The borrow ditches along the proposed access road will be re-seeded if the well is completed as a producer. The re-seeding of the borrow ditches will reduce the area utilized by this location. Any disturbance associated with gaining access to the location for this development will need to be reclaimed under all circumstances, even if the well does not produce in paying quantities.
- E) Surfacing material, if necessary, to consist of native material from borrow ditches, topsoil the topsoil will be cleared by fanning back during the construction and crowning of the road. Upon commencement of road construction, the topsoil will be replaced in the borrow ditches. The topsoil will be stabilized by "walking down" with a grader or cat.
- F) No major road cuts of 5' or more are necessary.
- G) Fence cuts, gates and cattleguards will not be required.
- \* H) There is a crossing of a gas pipeline SW/4 SW/4 Section 18. The pipeline company will be contacted prior to construction. A 3' compacted earth lift will be constructed over the pipeline.
- \* I) A road plan and profile is required. DRG will contact Bob Lange of the BLM for survey and design criteria

3) LOCATION OF EXISTING WELLS

Within a 1-mile radius: SEE TABLE 1

Proposed	NONE
Drilling	NONE
Abandoned	SEE TABLE 1
Disposal/injection	NONE
Shut-In	NONE
Producing	SEE TABLE 1
Other	NONE

LOCATION OF EXISTING PRODUCING FACILITIES OPERATED BY VECTA OIL & GAS, Ltd.

Within one (1) mile: NONE

The nearby well data has been taken from the Colorado Oil and Gas Conservation Commission (COGCC) website on May 6, 2011.

4) NEW PRODUCTION FACILITIES PROPOSED

- A) BLM will be contacted via Sundry Notice (SN) if the production facility changes.
- B) Dimensions of the Proposed Facility of the pad is 225' x 215' = 48,375 ft<sup>2</sup>, for drilling operations. Approximate total disturbance is ±2.6 acres.
- C) Traveled portion of production site is gravel surfaced. Any additional site preparation for production will be done with standard excavation equipment using native materials. If needed, additional surface material will be obtained from commercial sources or an approved borrow area. Construction and maintenance will not be performed when the ground or topsoil is frozen or too wet to adequately support construction equipment. If such equipment creates ruts in excess of four (4) inches deep, the soil will be deemed too wet.
- \* D) All above ground permanent structures will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons. All above ground permanent structures will be painted to blend with the surrounding landscape. The paint color specified is Pantone ® Standard Environmental Color Chart reference Covert Green (18-0617 TPX). To reduce the view of production facilities from visibility corridors and private residences, facilities will not be placed in visually exposed locations (such as ridgelines and hilltops). All production facilities will be painted within six months of installation. The tallest structure will be no greater than 20' in height.
- E) Production facilities may vary according to actual reservoir discovered. Production facilities will be clustered and placed away from cut slopes and fill slopes to allow the maximum re-contouring of cut and fill slopes.
- F) If well is a producer, all production facilities will be authorized by a SN.
- G) No facilities will be constructed off location.
- H) Run off and sediment control Best Management Practices (BMPs) will be implemented and maintained according to Vecta's Storm Water Management Plan (SWMP).
- I) Pursuant to Onshore Order No. 7 (OSO #7), this is a request for authorization for reserve pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by BLM and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method will be submitted along with any necessary water analyses, in compliance with OSO #7 as soon as possible, but no later than 45 days after the date of first production. Any method of disposal, which has not been approved prior to the end of the authorized 90-day period, will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by BLM.
- J) Soil stockpiles will be placed on the southern portion of the wellpad.

5) LOCATION OF WATER SUPPLY

- A) Water will be transported by truck from the White River where Highway 64 crosses the river, at Sec. 34 T2N R97W under existing permits or other available commercial sources under existing permits. If a closer water source is identified and deemed usable, Vecta will notify the AO with the necessary information.
- B) Anticipated water use is as follows:  
Mud drilling water requirements are anticipated to be approximately 2,000 bbls (84,000 gallon [US, liquid] = 0.2577 acre foot [US survey]).  
Road watering will be done only if dry conditions dictate, and would utilize approximately 500 bbls (21,000 gallons or 0.0644 acre feet).

6) SOURCE OF CONSTRUCTION MATERIALS

- A) If necessary, additional construction materials will consist of native materials from borrow ditches and location areas.
- B) No surfacing materials are anticipated to be needed at this time. If it is determined surfacing materials are needed, a SN will be submitted stating the intended source of the materials.

7) WASTE DISPOSAL

- A) Drill cuttings will be buried in reserve pit when dry.
- B) Drilling fluid will be evaporated and then buried in the reserve pit when dry.
- C) Completion fluids will be flowed to the reserve pit and allowed to evaporate.
- D) Reserve pit layout is illustrated on Exhibits 2, 2A, and 3. Dimensions of the pit are 100' x 50' x 12'.
- \* E) The reserve pit will be constructed to BLM Goldbook, Onshore Order #1 and #7 standards and to meet the requirements of the COGCC. Reserve pit will be lined with a synthetic liner 12 mil or thicker or as stipulated by the BLM. The reserve pit liner shall be made of any manmade synthetic material of sufficient size and qualities to sustain a hydraulic conductivity no greater than  $1 \times 10^{-7}$  cm/sec after installation and which is sufficiently reinforced to withstand normal wear and tear associated with the installation and pit use thereof. The liner shall be chemically compatible with all substances that may be put into the pit.
- F) The reserve pit will include appropriate netting, or fencing and escape ramps as necessary to protect public health, safety and welfare or to prevent adverse environmental impacts resulting from access to a pit by wildlife, migratory birds, domestic birds, or members of the general public, in accordance with applicable BLM/COGCC rules and regulations. Production pit to be netted "bird-tight." Pursuant to Onshore Order No. 7 (OSO #7), this is a request for authorization for lined pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by BLM and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method will be submitted along with any necessary water analyses, in compliance with OSO #7 as soon as possible, but no later than 45 days after the date of first production. Any method of disposal, which has not been approved prior to the end of the authorized 90-day period, will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by BLM
- G) Flare pit for air drilling will (if used) be located minimum 100' from well bore.
- H) Produced fluid will be contained in test tanks during completion and testing.

- I) Sewage disposal facilities will be in accordance with State and Local Regulations. Sewage may not be buried on location or put in a borehole. Colorado Department of Public Health and Environmental (CDPHE) Regulations prevent this unless a CDPHE Permit is obtained.
  - J) Garbage and other waste - burnable waste will be contained in a portable trash cage which will be totally enclosed with small mesh wire. Cage and contents will be transported to and trash dumped at a CDPHE approved sanitary oil and gas landfill upon completion of operations.
  - K) Trash will be picked up if scattered and contained in trash cage as soon as practical after rig is moved off.
  - L) Upon release of the drilling rig, rathole and mousehole will be filled. Debris and equipment not required for production will be removed.
  - M) The reserve pit will be closed in accordance with Colorado Oil and Gas Conservation Commission 900 and 1000 Series Rules. Vecta shall ensure that soils meet the concentration levels of Table 910-1. If the pit is lined, liner material shall be removed and disposed of in accordance with applicable legal requirements for solid waste disposal.
- 8) WELLSITE LAYOUT (See Exhibits 2, 2A, and 3)
- A) See attached drillsite plat and cut/fill diagram.
  - B) Roads and well production equipment, such as tanks, treaters, separators, vents, electrical boxes, and equipment associated with pipeline operation, will be placed on location so as to permit maximum interim reclamation of disturbed areas. If equipment is found to interfere with the proper interim reclamation of disturbed areas, the equipment may be moved so proper re-contouring and revegetation can occur.
  - \* C) Six inches (6") of topsoil will be removed prior to location construction from the cuttings
  - D) Topsoil and spoils pile will be clearly separated as shown on Exhibits 2 and 2A.
  - E) Erosion control measures will be applied pursuant to Vecta's General Permit to Discharge Stormwater under the Colorado Pollutant Discharge Elimination System and accompanying SWMP.
- 9) PIPELINES AND FLOWLINES
- To be applied for separately upon successful well completion as a producer.
- 10) SURFACE RESTORATION (General)
- A) Salvaging and spreading topsoil will not be performed when the ground or topsoil is frozen or too wet to adequately support construction equipment. If such equipment creates ruts in excess of four (4) inches deep, the soil will be deemed too wet.
  - B) Earthwork for interim and final reclamation must be completed within six (6) months of well completion or plugging (weather permitting).
  - C) In areas that will not be drill-seeded, the seed mix will be broadcast-seeded at twice the application rate shown and covered 0.25 to 0.5 inches deep with a harrow or drag bar or will be broadcast-seeded into imprints, such as fresh dozer cleat marks.
  - D) No seeding will occur from May 15 to September 15. Fall seeding is preferred and will be conducted after September 15 and prior to ground freezing. Spring seeding will be conducted after the frost leaves the ground and no later than May 15. Until seeding occurs, the topsoil will be stabilized by "walking down" with a grader or cat.
  - E) Any noxious weeds will be inventoried and treated in all areas within proposed disturbance areas in accordance with the Pesticide Use Proposal (PUP) on file with the BLM White River Field Office.

- F) Annual or noxious weeds shall be controlled on all disturbed areas as directed by the Field Office Manager. An intensive weed monitoring and control program will be implemented beginning the first growing season after interim and final reclamation. Noxious weeds that have been identified during monitoring will be promptly treated and controlled. A PUP will be submitted to the BLM for approval prior to the use of herbicides. All reclamation equipment will be cleaned prior to use to reduce the potential for introduction of noxious weeds or other undesirable non-native species. The operator will coordinate all weed and insect control measures with state and/or local management agencies.
- G) Reclaimed areas will be monitored annually. Actions will be taken to ensure that reclamation standards are met as quickly as reasonably practical.
- H) Reclamation monitoring will be documented in a reclamation report and submitted to the AO. The report will document compliance with all aspects of the reclamation objectives and standards, identify whether the reclamation objectives and standards are likely to be achieved in the near future without additional actions, and identify actions that have been or will be taken to meet the objectives and standards. The report will also include acreage figures for: Initial Disturbed Acres; Successful Interim Reclaimed Acres; Successful Final Reclaimed Acres. Reports will not be submitted for sites approved by the AO in writing as having met interim or final reclamation standards. Any time 30% or more of a reclaimed area is re-disturbed, monitoring will be reinitiated.
- I) The AO will be informed when reclamation has been completed, is successful, and the site is ready for final inspection.
- J) Operator will notify the reclamation coordinator (Christina Barlow – BLM at 970-878-3800 or at Christina\_Barlow@blm.gov) the day the drilling rig moves on location and within 24 hours of when the drilling rig moves off the location, and when the completion rig moves on or off the location. Information necessary will include Well Number, API Number, and rig dates.
- \* K) All seed tags will be submitted to the designated Natural Resource Specialist (NRS) within 14 calendar days from the time the seeding activities have ended, via SN. The SN will include the purpose of the seeding activity (i.e.: seeding well pad cut and fill slopes, seeding pipeline corridor, etc.). In addition, the SN will include the well or well pad number associated with the seeding activity, if applicable, the name of the contractor that performed the work, their phone number, the method used to apply the seed (e.g.: broadcast, hydro-seeded, drilled), whether the seeding activity represents interim or final reclamation, an estimate of the total acres seeded, an attached map that clearly identifies all disturbed areas that were seeded, and the date the seed was applied.
- L) The designated NRS will be notified 24 hours prior to beginning all construction-related activities associated with this project that result in disturbance of surface soils, via email or by phone. Construction-related activities may include, but are not limited to, pad and road construction, clearing pipeline corridors, trenching, etc. Notification of all construction-related activities, regardless of size, that result in disturbance of surface soils as a result of this project is required.
- M) The designated NRS will be notified 24 hours prior to beginning all reclamation activities associated with this project, via email or by phone. Reclamation activities may include, but are not limited to, seed bed preparation that requires disturbance of surface soils, seeding, constructing enclosures (e.g.: fences) to exclude livestock from reclaimed areas.

- N) The operator will meet with the WRFO reclamation staff as necessary or as requested by BLM. The purpose of the plan is to provide information pertaining to reclamation activities that are expected to occur during the current growing season. The operator shall also provide a map that shows all reclamation sites where some form of reclamation activity is expected to occur during the current growing season.
- O) Operator will provide post construction data (.dwg and GIS files of “as-built” surveys) to assist the BLM in tracking total acres disturbed on a lease-by-lease basis. The surveyor will re-visit the location after construction has ended and collect survey boundaries of the total extent of area that was disturbed to construct the well pad.

#### INTERIM RESTORATION (Production)

- A) Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut/fill slopes. These areas will be re-seeded. The reserve pit will be closed in accordance with Colorado Oil and Gas Conservation Commission 900 and 1000 Series Rules. Vecta shall ensure that soils meet the concentration levels of Table 910-1. If the pit is lined, liner material shall be removed and disposed of in accordance with applicable legal requirements for solid waste disposal.
- B) Wellpad size will be reduced to minimum size necessary to conduct safe operations. Cut/fills will be reduced to 3:1 or shallower.
- C) Reserve pits will be closed and backfilled as soon as the pit contents are dry enough to do so, or no later than the end of the next full summer following rig release, whichever comes first, to allow sufficient time for the pit contents to dry. Reserve pits remaining open after this period will require written authorization of the AO. Immediately upon well completion, any hydrocarbons or trash in the reserve and flare pits will be removed. Pits will be allowed to dry, be pumped dry, or solidified in-situ prior to backfilling.
- D) Following completion activities, pit liners will be removed or removed to the solids level and disposed of at an approved oil and gas facility, or treated to prevent their reemergence to the surface and interference with long-term successful revegetation. If it was necessary to line the pit with a synthetic liner, the pit will not be trenched (cut) or filled (squeezed) while containing fluids. When dry, the pit will be backfilled with a minimum of five (5) feet of soil material. In relatively flat areas, the pit area will be slightly mounded to allow for settling and to promote surface drainage away from the backfilled pit. The reserve pit will be closed in accordance with Colorado Oil and Gas Conservation Commission 900 and 1000 Series Rules. Vecta shall ensure that soils meet the concentration levels of Table 910-1. If the pit is lined, liner material shall be removed and disposed of in accordance with applicable legal requirements for solid waste disposal.
- E) The portions of the cleared well site not needed for operational and safety purposes will be re-contoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Sufficient level area will remain for setup of a workover rig and to park equipment. In some cases, rig anchors may need to be pulled and reset after re-contouring to allow for maximum interim reclamation.
- F) Topsoil will be evenly re-spread and aggressively re-vegetated over the entire disturbed area not needed for all-weather operations including road cut/fills and to within a few feet of the production facilities, unless an all-weather, surfaced, access route or small “teardrop” turnaround is needed on the wellpad.

- G) Initial seedbed preparation will consist of backfilling, leveling, and ripping all compacted areas. Final seedbed preparation will consist of contour cultivating to a depth of 4" - 6" inches within 24 hours prior to seeding. Seeding will be conducted no more than 24 hours following completion of final seedbed preparation. A certified weed-free seed mix designed by BLM (shown below) to meet reclamation standards will be used. The seed mix will be used on all disturbed surfaces including pipelines and road cut/fill slopes.
- H) To help mitigate the contrast of re-contoured slopes, reclamation will include measures to feather cleared lines of vegetation and to save and redistribute cleared trees, debris, and rock over re-contoured cut and fill slopes. Any exposed topsoil will be stabilized by "walking down" with a grader or cat.
- I) A proposed seed mixture for this location is:  
BLM Native Seed Mix #3
- J) Reclamation will be considered successful if the following criteria are met:
- 70% of pre-disturbance cover
  - 90% dominate species\*
  - Erosion features equal to or less than surrounding area
- \*The vegetation will consist of species included in the seed mix and/or occurring in the surrounding natural vegetation.

#### FINAL RESTORATION (P & A – Removal of equipment)

- A) Flowlines on location will be removed before site reclamation and all flowlines between the wellsite and production facilities will remain in place and will be filled with water.
- B) If necessary to ensure timely revegetation, the pad will be fenced to BLM standards to exclude livestock grazing for the first two growing seasons or until seeded species become firmly established, whichever comes later. Fencing will meet standards found on page 18 of the Gold Book, 4th Edition, or will be fenced with operational electric fencing.
- C) Revegetation will be accomplished by planting mixed grasses as specified below. Revegetation is recommended for road area as well as around production site.
- D) A proposed seed mixture for this location is:  
BLM Native Seed Mix #3
- E) Initial seedbed preparation will consist of backfilling, leveling, and ripping all compacted areas. Final seedbed preparation will consist of contour cultivating to a depth of 4" to 6" within 24 hours prior to seeding. Seeding will be conducted no more than 24 hours following completion of final seedbed preparation. A certified weed-free seed mix designed by BLM (shown above) to meet reclamation standards will be used. The seed mix will be used on all disturbed surfaces including pipelines and road cut/fill slopes.
- F) Any noxious weeds will be inventoried and treated in all areas within proposed disturbance areas in accordance with the Pesticide Use Proposal (PUP) on file with the BLM White River Field Office.
- G) Annual or noxious weeds shall be controlled on all disturbed areas as directed by the Field Office Manager. An intensive weed monitoring and control program will be implemented beginning the first growing season after interim and final reclamation. Noxious weeds that have been identified during monitoring will be promptly treated and controlled. A PUP will be submitted to the BLM for approval prior to the use of herbicides. All reclamation equipment will be cleaned prior to use to reduce the potential for introduction of noxious weeds or other undesirable non-native species. The operator will coordinate all weed and insect control measures with state and/or local management agencies.



- H) All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be re-contoured to the contour existing prior to initial construction or a contour that blends indistinguishably with the surrounding landscape. Re-salvaged topsoil will be spread evenly over the entire disturbed site to ensure successful revegetation. To help mitigate the contrast of re-contoured slopes, reclamation will include measures to feather cleared lines of vegetation and to save and redistribute cleared trees, woody debris, and large rocks over re-contoured cut/fill slopes.
- I) At final reclamation all storm water management BMP's for drainage, sediment and erosion will be removed in order to return the site to its natural state. All sediment will be managed through revegetation practices (seeding on contour, crimping straw on contour and/or erosion control hydro-mulch, pocking and topsoil distribution. Downgradient wattles will remain until vegetation establishment meets minimum requirements.

#### 11) GENERAL INFORMATION

- A) Project area is situated in the undulating uplands just southwest of the White River.
- B) Topographic and geologic features – gentle slope (1-2% grade) to the north, with rolling topography.
- C) Soil characteristics – clay/loam.
- D) Flora consists of: Well established bitterbrush, saltbush, and sagebrush, greasewood, matchbrush, and buckwheat with native forbs and grasses.
- E) Fauna observed: mule deer; assume: elk, coyotes, rabbits, raptors, prairie dogs, and rodents.
- F) Concurrent surface use - grazing and hunting.
- G) Mineral Lessor - Bureau of Oil & Gas Management  
White River Field Office  
220 E. Market Blvd.  
Meeker, CO 81641 Phone: 970-878-3800

- H) Surface Owner  
Drillsite/Access- BOPCO L.P.  
Attn: Ross Sutton  
201 Main St.  
Fort Worth, TX 76102 Phone: 817-390-8400

Surface Owners  
Access- Bureau of Oil & Gas Management  
White River Field Office  
220 E. Market Street  
Meeker, CO 81641 Phone: 970-878-3800

John R. Pierce  
3178 Andre Lane  
Turlock, CA 95382 Phone: 209-634-9615

A Surface Use Agreement (SUA) with the Private Surface Owner are in process. A letter certifying that the agreements have been executed will be submitted to BLM at the appropriate time.

- I) Proximity of water, occupied dwellings or other features: unnamed intermittent drainage ±680' to the east.

- J) The archaeological fieldwork was completed by Grand River Institute. The report, GRI Project No. 2011-11, was submitted under separate cover to BLM. A raptor survey will be conducted by Grasslands Consulting, Inc. The report will be submitted separately to the BLM. If requested by the BLM, a paleontological survey will be completed and the report submitted to BLM under separate cover.
- K) If any fossils are discovered during construction, the operator shall cease construction immediately and notify the AO so as to determine the significance of the discovery.
- L) A Class III (100% pedestrian) cultural resource inventory has been completed by a Grand River Institute (Grand River), in the following areas: Well location. A report of the inventory will be submitted and approved by the BLM with stipulations as appropriate in order to comply with EO 11593 and Section 106 of the National Historic Preservation Act of 1966. See Section "General Information – K" above
- M) The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the AO. The AO will inform the operator as to the work needed to determine the following:
- Whether the materials appear eligible for the National Register of Historic Places;
  - The mitigation measures the operator will likely have to undertake before the site can be used (assuming in site preservation is not necessary); and,
  - A timeframe for the AO to complete an expedited review to acquire the State Historic Preservation Officer's concurrence that the findings of the AO are correct and that mitigation is appropriate.
- N) Vecta maintains a file, per 29 CFR 1910.1200(g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be transported across these lands may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous substances, EHS, and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

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**Vecta 3-18-2-97**  
990' FSL 1,650' FWL (SE/4 SW/4)  
Sec. 18 T2N R97W  
Rio Blanco County, Colorado  
Surface: Federal  
Federal Mineral Lease: COC64455

APPLICATION FOR PERMIT TO DRILL  
OPERATOR CERTIFICATION

LESSEE'S OR OPERATOR'S REPRESENTATIVE:

Operator

Vecta Oil & Gas, Ltd.  
575 Union Blvd., Suite 208  
Lakewood, CO 80228  
Phone: 303-945-2853  
Fax: 303-945-2869

Dick Pate – Vice President of Engineering  
Phone: 303-945-2853  
Mobile: 303-550-4880

Permit Agent

Banko Petroleum Management, Inc.  
385 Inverness Parkway, Suite 420  
Englewood, CO 80112-5849  
Phone: 303-820-4480  
Fax: 303-820-4124

+ David Banko – Consulting Petro Engineer  
*david@banko1.com*

Keith Dana – Wildlife/Range Management

+ For any questions or comments regarding this permit.

OPERATOR CERTIFICATION:

I hereby certify that Vecta Oil & Gas, Ltd. and its contractors and sub-contractors are responsible for the operations conducted under this application subject to the terms and conditions of the mineral lease. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Vecta Oil & Gas, Ltd. under their nationwide bond, BLM Bond No. COB000279.

A Surface Use Agreement (SUA) with the Private Surface Owners are in process. A letter certifying that the agreements have been executed will be submitted to BLM at the appropriate time.

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

May 9, 2011



David F. Banko  
Permit Agent for Vecta Oil & Gas, Ltd.

TABLE 1  
Vecta Oil Gas Ltd.  
**Vecta 3-18-2-97**  
SESW Sec. 18 T2N R97W  
Rio Blanco County, Colorado  
Surface: Fee  
Federal Mineral Lease: COC64455  
Wells Within a 1-Mile Radius

WELL DESCRIPTION	LOCATION	WELL INFORMATION			
05-103-07970, GOVERNMENT 18-1-S AMERICAN RESOURCES MGMT CORP	SESW 18	<b>Sidetrack</b>	<b>TD</b>	<b>Formation</b>	<b>Status</b>
	2N -97W (6)	0	2144	WSTC	PR
05-103-09771, WWRD FEDERAL 13-2 GREAT NORTHERN GAS COMPANY	NENW 13	<b>Sidetrack</b>	<b>TD</b>	<b>Formation</b>	<b>Status</b>
	2N -98W (6)	0	1510	WSTC	DA