

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. COC56873	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator FOUNDATION ENERGY MANAGEMENT		7. If Unit or CA Agreement, Name and No.	
3a. Address 321 SOUTH BOSTON SUITE 950 TULSA, OK 74103		8. Lease Name and Well No. BANTA RIDGE FEDERAL 11-18-1-103	
3b. Phone No. (include area code) Ph: 303-857-9999 Fx: 303-450-9200		9. API Well No.	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNW Lot 2 1383FNL 954FWL 39.964667 N Lat, 109.004269 W Lon At proposed prod. zone SENW 2070FNL 1816FWL 39.967780 N Lat, 109.001200 W Lon		10. Field and Pool, or Exploratory BANTA RIDGE	
14. Distance in miles and direction from nearest town or post office* 18.3 MILES FROM RANGELY, CO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T1S R103W Mer 6PM	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 954' FROM SURFACE		12. County or Parish RIO BLANCO COUN	
16. No. of Acres in Lease 1596.90		13. State CO	
17. Spacing Unit dedicated to this well 40.00		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROX. 1100'	
19. Proposed Depth 4736 MD 4500 TVD		20. BLM/BIA Bond No. on file B003173	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5859 GL		22. Approximate date work will start 08/05/2011	
23. Estimated duration 20 DAYS			

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) RICK PAYNE Ph: 918-585-1650	Date 06/17/2011
Title VP OPERATIONS		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #110845 verified by the BLM Well Information System
For FOUNDATION ENERGY MANAGEMENT, sent to the Meeker

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Additional Operator Remarks:

Surface Ownership: Bureau of Land Management

Lease Information

COC56873 Total Acres: 1596.93

T1S-R103W

Sec. 5: S2N2, SW, Lots 13-15

Sec. 6: S2NE, SE

Sec. 7: E2, E2W2, Lots 1-4

Sec. 18: E2W2, Lots 1-4