

SURFACE USE PLAN

Attached to Form 3160-3
Retamco Operating Inc.
Well Name: Retamco Federal 3-104-26-9
Lease: COC-67423
NESE Sec. 26, T3N-R104W
Rio Blanco County, Colorado

MULTI-POINT SURFACE USE PLAN

1. Existing Roads -- Legible map listed, see Sheet #12

A. Proposed wellsite as staked, Sheet #4.

- (1) Actual staking included four directional survey reference stakes as shown on the attached survey plat from: Timberline Engineering & Land Surveying, Inc., Vernal, Utah.

B. The proposed well is approximately 5.7 miles south from Dinosaur, Colorado.

To access the proposed location, from the intersection of U.S. Highway 40 and State Road 64 in Dinosaur, Colorado, proceed in a southerly direction along State Road 64 approximately 3.4 miles to the junction of a BLM road. Exit right and proceed in a southwesterly direction along the BLM 1741 road approximately 1.2 miles to an existing two-track road. Exit right and proceed in a westerly direction along the two-track road approximately 3,610 feet to a proposed road re-route. Follow road flags in a northwesterly direction approximately 340 feet to the existing two-track road. Continue along the existing two-track road in a northerly direction approximately 1,200 feet to the proposed access road. Follow road flags in a northeasterly direction approximately 715 feet to the proposed location.

C. All roads in the immediate area are shown on the attached Topo Maps A & B, Sheets, 12-13.

D. If snow removal outside the roadway is undertaken, equipment used for snow removal operations will be equipped with shoes to keep the blade 4 inches off the ground surface. Special precautions will be taken where the surface of the ground is uneven to ensure that equipment blades do not destroy vegetation.

E. Unless otherwise exempted, free and unrestricted public access will be maintained on the access road.

F. The existing road will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will be maintained according to BLM Manual Section 9113 and will continue until final abandonment and reclamation of the Retamco Federal 3-104-26-9. A regular maintenance program will include, but is not limited to blading, ditching, culvert installation and surfacing.

2. Description of New Access Road Construction, Operations & Maintenance

A. Planned Access Roads

- (1) Approximately 1.2 miles of existing BLM Road 1741 will be used to gain access onto location. At the point of leaving this road, existing two-tracks located on private surface will be utilized and improved. Approximately 4,810' of existing two track will be improved for access onto the location and ~715' of new access road onto the location is proposed. See Sheet #13
- B. Width - Fourteen (14) foot running surface bladed for drilling operations and sixteen (16) foot subgrade crowned and ditched for completion/production operations. This road will be graveled to meet the all-weather access needs for drilling and production operations.
- C. Construction standard - the proposed access road will be constructed in accordance with roading guidelines established for oil and gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. The access road will be designed and constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction will include ditching, draining, graveling, crowning and capping the roadbed as necessary (or require) to provide a well constructed and safe roadway. The pad will be built to scale as indicated by the plat diagram attached to the APD. Topsoil will be salvaged with a scraper or blade during road construction and deposited along the non-working side of the access road to avoid compaction and mixing with subsoil. At the well site topsoil and subsoil will be stripped and segregated into marked locations as shown in the location layout (Exhibit 'E'). Soil piles will not be placed will not be placed on fill material. If settlement or erosion becomes evident, suitable soil material will be brought in and additional BMP's will be installed to prevent further damage. Water will be applied to the road surface during construction, drilling and completion operations to facilitate soil compaction and minimize soil loss as a result of wind erosion.
- A minimum of six (6) inches of topsoil will be stripped from the new construction proposed access road route prior to performing any further construction activities thereon and stockpiled, to be used at a later date for reclamation.
- D. Maximum grade - Ten (10) percent or less.
- E. Turnouts - turnouts will be constructed as deemed necessary with landowner initially during drilling and/or completion operations. If production is established, and turnouts are needed, they will be constructed along the access route to allow for the safe passage of traffic. These turnouts will be constructed in accordance with the roading guidelines established for oil and gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

- F. Drainage design - the access road will be upgraded and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The access road will be crowned and ditched and water turnouts installed as necessary to provide for proper drainage along the access route. Erosion control materials (rock (rip-raps), silt fence, trenching, matting, wattles) will be installed along the ditches and culverts as needed.
- G. Culverts, cuts and fills - Four (4) 18" culverts will be installed, one at the start of initial access after leaving HWY 64, around the pond area, and three (3) more along the existing two track. Two (2) 24" culverts will be installed on the south portion of the two track. All culverts are referenced on Sheet #13. These culverts will be installed in accordance with the roading guidelines established for oil and gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.
- F. Surface materials - Gravel will be placed as needed and agreed upon with surface owner along proposed access road. If production is established, from the proposed well, the access road will be surfaced to an average minimum depth (after compaction) of four (4) inches with two (2) inch minus pit run gravel or crushed rock, if and/or as required by the Authorized Office, Bureau of Land Management. The surfacing materials will be purchased from a local contractor having a permitted source of materials within the general area.
- H. Gates, cattle guards or fence cuts - Two (2) 14' foot cattle guards will be installed once exiting Hwy 64 and entering private surface and another as entering onto the location on the northwesterly side. See Sheet #13.
- I. Road maintenance - during drilling and completion phase operations, and production if found, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept free-flowing, and will also be maintained in accordance with the original with the original construction standards. The access road right-of-way will be kept free of trash during all operations.
- J. The proposed access road route has been centerline staked.

3. Location of Existing Wells Within a Two Mile Radius: (Sheet #14)

- 1. (2) Dry & Abandoned well
- 2. (1) Abandoned Oil well
- 3. (1) Gas Shut-in well

4. Location of Existing or Proposed Facilities

A. Existing Facilities: None

B. New Facilities Contemplated:

- (1) Production facilities will be located on the disturbed portion of the well pad.
- (2) Production facilities will require a working area approximately 150' x 150' in size.

- (3) Production facilities will be accommodated on the disturbed portion of the well pad. Construction materials needed for installation of the production facilities will be obtained from the site; any additional materials needed will be purchased from a local supplier having a permitted source of materials in the area.
 - (4) A dike will be constructed completely around those production facilities designed to hold fluids (i.e, production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be lined with a 24 mil liner, hold 110% capacity of the largest tank, and be independent of the back cut.
 - (5) All permanent (on site for six (6) months or longer) above-the ground structures constructed or installed on the well location (including pumping unit, tank batteries, etc.) will be painted as set out by the Authorized Officer, Bureau Land Management. The exception being that Occupational Safety and Health Act Rules and Regulations will be complied with where special safety colors are required.
 - (6) Proposed flowlines will be constructed alongside the existing access road from the wellhead to intersection of Highway 64 and BLM Road 1741. The pipeline is then proposed to be constructed alongside State Highway 64 to the intersection of County Road 21 to a tie-in point with an existing gas transmission line. "See Topo Map "D". No construction will take place until all proper rights-of-way and approvals have been obtained by the proper authorities and regulatory agencies.
 - (7) Rat and mouse holes will be filled and compacted from bottom to top immediately upon release of the drilling rig from location.
- C. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road and any additional areas, which may be specified in the approved Application for Permit to Drill.
- D. Interim Reclamation of disturbed areas no longer needed for operations will be restored as nearly as possible to the original contour and will be reseeded and revegetated, as specified by the surface owner and/or the Authorized Office, Bureau of Land Management.
- E. The entire location will be fenced and a cattle guard placed at the entrance on the location. With that the production pit will be flagged but will not be fenced.

5. Location and Type of Water Supply

Retamco Operating Inc. anticipates the need for +/- 1,000 barrels of water will for drilling and completion activities. Fresh water will be hauled from the White River located on the west end of Rangely, CO from an established loading point on the north side of the bridge. Please see "Water Haul Maps, Sheets 1-3".

All water for drilling will transported along existing roads from the point of diversion to the proposed well site. State Highway 64 will be used from the loading point until exiting the highway left onto BLM Road 1741 at the start of the access road to ROI's proposed wellsite "Retamco Federal 3-104-26-9". Total distance will be +/- 16.4 miles. No new construction will be required on or along the proposed water haul route. If necessary additional ROW will be obtained if required.

Fresh water for drilling and completion will be hauled by a local contract water hauler. Since all water sources are administered by the State of Colorado, Water Division Resources, it is the responsibility of the contract water hauler to comply with all state requirements and obtain the necessary permits.

6. Source of Construction Materials

- A. Any construction materials (pit run gravel/rock/crushed rock/2" gravel) which may be required for surfacing/construction of the access road/drilling pad will consist of native materials and be obtained from a private contractor having a previously approved source of materials within the general area. will consist of native materials.
- B. No construction materials will be taken from Federal or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any construction materials which may be required for surfacing of the access road and/or installation of production facilities will be purchased from a local supplier having a permitted source of materials within the general area.
- D. No new access roads for transportation of these construction materials will be required.

7. Methods for Handling Waste Disposal

- A. Drilling Fluids will be contained in the reserve pit and allowed to evaporate, than backfill.
- B. Cuttings will be contained in the reserve pit and disposed of properly.
- C. Produced water and/or oil will be contained in steel tanks and hauled to proper facilities.
- D. Sewage - portable, self-contained chemical toilets and the Engineered Sewage Treatment and Disposal System will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. Sewage

disposal will be in strict accordance with the Colorado Department of Public Health and Environment (CDPHE) rules and regulations regarding sewage treatment and disposal.

- E. Burnable wastes, garbage and other solid waste materials - will be gathered and contained in a self contained, portable dumpster or trash cage. Upon completion of drilling operations, or as needed, the accumulated trash will be hauled off-site to a Colorado CDPHE approved sanitary landfill. Trash will be hauled off-site using a local licensed contractor.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No potentially adverse materials or substance will be left on the location.
- G. Hazardous substances specifically listed as a hazardous waste or demonstrating a character of a hazardous waste (see 40 CFR 261) will not be disposed of in the reserve pit.

Retamco Operating Inc. (ROI) and its contractor(s) are required, per 29 CFR 1910.1200 (g) to maintain files 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 found at the site 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 and Extremely Hazardous Substances and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

8. Ancillary Facilities

None Anticipated

9. The Well Site Layout is Shown on Sheet #7

- A. Sheet #7 shows the drill pad as staked. Cross-sections have been drafted to illustrate the planned cuts and fills across the proposed well location, as shown on Sheet #8. A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill and/or subsoil storage) and stockpiled for future reclamation of the well site. Sheet #7 displays the location for topsoil and subsoil stockpiles.
- B. The location of mud tanks, reserve pit, pipe racks and living facilities are shown on Sheet #9. No permanent living facilities are planned on the proposed location, however, there will be approximately three (3) trailers on location during drilling operations which will serve as housing for the mud logger, geologist and toolpusher.
- C. Equipment and vehicles will be confined to the approve areas in the Application for Permit to Drill. (i.e. access road, well pad, soil and topsoil storage areas).
 - 1) Clearing and Grading - Construction activity will not be conducted using frozen or

saturated soil material or during periods when watershed damage is likely to occur.

2) Pits - the reserve pits will be lined. A plastic/vinyl liner will have a permeability less than or equal to 1×10^{-7} cm/sec, will be chemically compatible with all substances which may be put into the pit and will be installed so that it will not leak. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. The liner will be installed with sufficient bedding (either straw or dirt) to cover any rocks, will overlap the pit walls, extend under the mud tanks, and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc. that could puncture the liner will be disposed of in the reserve pit.

3.) Prior to the commencement of drilling operations, the entire location will be fenced according to the following standards (or lesser standard if approved by the Authorized Officer, Bureau of Land Management):

1. Thirty-two inch net wire shall be used with two strands of barbed wire on top of (above) the net wire.
2. The net wire shall be no more than four (4) inches above ground. The first strand of barbed wire shall be ~three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
4. Standard steel, wood, or pipe posts shall be used between corner braces. The maximum distance between any two posts shall be no greater than sixteen feet.
5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
6. A fourteen (14') cattle guard will be placed at the entrance onto the location to protect livestock and wildlife from entering the location.

The fencing will be "set back" from the top of the cut slope and the toe of the fill slopes a sufficient distance to allow for reclamation of the well location upon abandonment. Said fencing will be maintained until such time as the well has been abandoned and the reclaimed areas have successfully re-vegetated.

Produced fluids - liquid hydrocarbons and water produced during completion operations will be placed in test tanks on the location. These fluids will be trucked to sales or approved disposal sites.

10. Plans for Restoration of the Surface

A. Drilling & Completion:

1. Upon construction completion of the well pad, (ROI) will inspect the location and if

needed will install temporary erosion control structures (silt fences, rock beds, wattles), to limit erosion during the drilling and completion activities.

2. If a pad or road design has associate spoil piles that will not be removed after the drilling phase, then ROI will use the following procedure. The topsoil will be stripped below the spoil pile, spoil stockpiled, the topsoil spread out on the spoil pile, and then seeded with a nurse crop (such as barley or wheat) to stabilize the surface.
3. The mouse hole (Kelly drill pipe storage) will be backfilled and compacted from bottom to top immediately upon release of the completion rig from location.

B. Producing Operations:

1. Backfilling, leveling and re-contouring will be completed within six (6) months of the well completion or well plugging (weather permitting). If interim reclamation cannot be finalized within the six (6) month time frame a sundry will be submitted to the authorized officer requesting an extension.
2. For production, the fill slopes will be reduced from 1.5:1 slope to a 5:1 slope and the cut slopes will be reduced from a 2:1 slope to a 5:1 slope by pushing the fill material back up into the cut.
3. Upon completion of the backfilling, leveling, and re-contouring, all reclaimed surfaces will be scarified to a depth of 18" to 24" on 18" to 24" centers.
4. Prior to commencement of seeding operations, the seedbed will be prepared by disking on the contour to a depth of four (4) to six (6) inches. The entire disturbed area will be uniformly covered with depressions constructed perpendicular to the natural flow of water to facilitate the capture of moisture and subsequent promotion of re-vegetation success. All disturbed surfaced (including the access road and well pad areas) will be reseeded using a seed mixture provided by the surface owner or Authorized Officer, BLM.
5. Seed will be drilled on the contour with a seed drill equipped with a depth regulator in order to ensure even depths of planting. Seed will be planted between one-quarter (1/4) to one-half (1/2) inches deep.
6. Fall seeding will be completed after September 1st and prior to ground frost. If applicable, spring seeding will be completed after the frost has left the ground and prior to June 15th. The seeding will be repeated until a satisfactory stand, as determined by the Authorized Officer, is achieved. The first evaluation of growth will be made in the completion of the second growing season.
7. Inspection of the reclaimed surfaces will be conducted in accordance with the CO Stormwater Plan. Follow-up seeding and erosion control measures may be needed based upon these inspections.
8. Re-seeding activities are considered best in the fall, unless is requested otherwise by the Authorized Officer, Bureau of Land Management.

C. Abandoned Well Location:

1. Upon final abandonment of the well location, gravel will be removed from the access road surface and well location (as directed by the Authorized Officer), water diversion installed

as needed and both the access road and well location will be restored to approximately the original ground contour(s) by pushing the fill material back into the cut and up over the backslope.

2. All disturbed surfaces (including the access road and well pad areas) will be re-seeded as recommended in Item 10: B 1-7, above.
3. Prior to abandoning this well, a final reclamation plan will be submitted to the BLM for approval of the well location and associated infrastructure. The plan will be submitted as a Notice of Intent - Sundry Notice to Plug & Abandon. Upon successful completion of reclamation activities, a Final Abandonment Notice (FAN) - Sundry Notice will be submitted to the BLM for final approval and release.
4. Gravel will be removed from the surface and redistributed on retained roads with permission from the Authorized Officer.
5. Topsoil will be windrowed to one side of the road.
6. The sub-soil will be re-contoured back to the approximate pre-construction condition, establishing slope stability. This will be done by pulling fill material into cut portions of access road. The sub-soil will be blended to the existing surrounding topography to minimize environmental and visual degradation. This can easily be done with a dozer, blade or scraper. Only equipment suitable for the job will be used.
7. Waterbars will be constructed on all areas to: (1) simulate the imaginary contour lines of the slope with a grade of one or two percent; (2) drain away from the disturbed area; and (3) begin and end in undisturbed vegetation or soil. Water course and drainage features will be re-established and stabilized.
8. Once all the sub-soil is replaced, top soil will be re-distributed over the entire disturbed surface area.
9. Seedbed prepared by disking, harrowing or other means of scarification.
10. Reseeding will be done by tractor/drill seed on contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed. Slopes too steep to drill seed will be broadcast seeded at double the drill rate. ROI will use a plan and seed mixture that is suggested by the Authorized Officer, Bureau of Land Management.
11. For areas with associated site specific reclamation plans, ROI will utilize the BMPs and reclamation practices outlined for the interim reclamation in the final reclamation.
12. ROI will inspect active construction every fourteen days and inactive construction monthly for erosion. In the case of a rain event, ROI will inspect the site as access allows, until re-established vegetation is equal to or greater than 70% of immediate area.

All Disturbed Areas will be reseeded to meet Landowner / BLM recommendations

The following reclamation protocol will be considered during all phases of reclamation:

1. Use best management practices.

2. Minimize disturbance as much as possible.
3. Keep the soil disturbance period short.
4. Preserve existing natural drainage patterns and vegetation as much as possible.

5. Control erosion by managing storm run-off and continue to monitor areas until the approximate pre-constructive state.
6. Stabilize steep slopes with mulch, matting, hydro-seeding or hydro-mulched.
7. Erosion can be minimized by roughening, adding benches, terraces, steps and serrations.
8. The reclaimed area will have similar shape, color and orientation of surrounding landscape features.
9. Retain as much top soil as possible.
10. Re-vegetate in a timely manner.

11. Surface Ownership

The well location and proposed access route leaving BLM Road 1741 is privately owned surface by: James D. & Jenna L. Gates
P.O. Box 97
Dinosaur, CO 81610
Telephone - 970.374.2008

12. Other Information

- A. The general terrain of the area is flat. No drainage will be affected by this proposed location. The land is presently being used for cattle grazing and there is no occupied dwelling within close proximity of the proposed well location. (Nearest building +5,280'). There are no threatened or endangered species that would be affected by construction, drilling, completion and production operations for the proposed well location.
- B. Other surface use consists of wildlife habitat.
- C. An Archaeological inventory has not yet been conducted.

ROI will be responsible for informing all persons associated with this project that they will be subject to prosecution for damaging, altering, excavating or removing and archaeological, historical, or vertebrate fossil objects on the site. If archaeological, historical, or vertebrate fossil materials are discovered, the operator will suspend all operations that further disturb such materials and immediately contact the authorized officer. Operations will not resume until written authorization to proceed issued by the authorized officer.

Within (5) five working days, the authorized officer will evaluate the discovery and inform the operator of actions that will be necessary to prevent loss of significant cultural or scientific values.

ROI will be responsible for the cost of any mitigation required by the authorized officer. The authorized officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the authorized officer that the required mitigation has been completed, the operator will be allowed to resume operations.

- D. Permanent structures other than pumping units, electrical equipment, tie downs, wellheads and lines will be painted the standard environmental color as directed by the Authorized Officer, Bureau of Land Management.
- F. A cathodic protection deep well will not be installed.
- G. ROI will be responsible for the prevention and suppression of fires on public lands caused by its employees, contractors or subcontractors. During conditions of extreme fire danger, surface use operations may be either limited or suspended in specific areas, or additional measures taken as required by the authorized officer.
- H. ROI will be responsible for weed control within the disturbed areas associated with the proposed well. The following weed control programs will be used to meet this condition.

- Weed Inspection/Prevention: Proposed disturbances (i.e. pipelines, right-of-ways, etc.) will be inspected for noxious weeds during staking and planning phases, as season permits. If noxious weeds are encountered at this time ROI may consider an optional pre-treatment using Roundup (10 days to 2 weeks minimum, prior to construction). Roundup would kill most everything in the construction pathway, including the noxious weed seeds to prevent them before disturbing and shaking any seeds free. Most importantly is that it biodegrades over time and does not have a long term residual effect within the soils. This will allow for a weed free seeding after construction is completed.

- Contractors will be encouraged to clean equipment between job loading locations, to help prevent the transport of noxious weed seeds. Soil disturbance will be minimized as much as possible and disturbed locations will be seeded promptly (season permitting) with a certified weed free seed. If mulch is used for erosion control it will be certified weed free.

- There are currently 24 plant species designated as noxious weeds. The following species may be applicable to this project and may change during operations:

- | | |
|--------------------------|--------------------------|
| 1. Canada thistle | 13. Ox-eyed daisy |
| 2. Common burdock | 14. Perennial pepperweed |
| 3. Common St. Johnswort | 15. Perennial sowthistle |
| 4. Common tansy | 16. Plumeless thistle |
| 5. Dalmation toadflax | 17. Purple loostrife |
| 6. Diffuse knapweed | 18. Quackgrass |
| 7. Dyers woad | 19. Russian knapweed |
| 8. Field bindweed | 20. Saltcedar |
| 9. Hoary cress (Whiteop) | 21. Scotch thistle |
| 10. Houndstongue | 22. Skeletonleaf bursage |
| 11. Leafy spurge | 23. Spotted knapweed |
| 12. Musk thistle | 24. Yellow toadflax |

Locations within the project containing significant amounts of these designated weeds will be reported to the local weed and pest office for updating their maps. If any unidentified weeds become a concern, they will be brought to the local weed and pest office for identification and control recommendations. Ongoing communication will be kept with the BLM and local agencies to address any concerns that may arise regarding weed problems.

- Weed Treatments will be treated with suitable herbicides selected by the BLM or the certified applicator should any noxious or declared weeds be encountered with the disturbed areas associated with the proposed well pad area. All herbicides will be applied in compliance with the product labeling requirements, as well as applicable local, state and federal regulations. If herbicides will be used on Federal surface, a BLM Pesticide Use Proposal (PUP) will be obtained prior to any application. Hand pulling of weeds will be encouraged for small areas of infestation. ROI will be responsible for weed control on disturbed areas within the exterior limits of this permit and will consult with the Authorized Officer and/or local authorities for acceptable weed control measures.

13. Certification

RETAMCO OPERATING INC.

Retamco Federal #3-104-26-9

SHL - NESE Section 26, T3N-R104W, 1866' FSL & 811' FEL

BHL - Same as Surface Hole

Rio Blanco County

Surface: Fee

Through Lease: Federal

BHL Federal Lease #COC-67423

Unit: North Rangely Unit (meeting w/Colorado State BLM office 05/14/14, awaiting final approval and issuance of unit number.)

APPLICATION FOR PERMIT TO DRILL
OPERATOR CERTIFICATION
LESSEE'S OR OPERATOR'S REPRESENTATIVE(S)

OPERATOR:

Retamco Operating Inc.
PO Box 790
Red Lodge, MT 59068
406-446.1568, ext. #103
406-446-1748 (fax)
Joe Glennon, VP Land

Joe Johnson - V.P. Operations
(406) 446-1568, ext. #101 - Office
(406) 855-2497 - Mobile

PERMIT AGENT:

Green Acres Consulting, Inc.
PO Box 843
Worland, WY 82401
307-431-2291
307-347-4276 (fax)
Rhonda K. Tigner (greenacres@rtconnect.net)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all the applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice to Lessees.

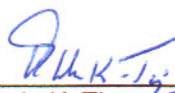
Retamco Operating Inc. will be fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representatives to ensure compliance. The dirt contractor will be provided with a complete copy of the approved APD with the attached Conditions of Approval.

The drilling permit will be valid for a period of two (2) years from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route proposed herein; 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

Federal Statewide Bond #COB000183

Executed this 19th day of May, 2014.


Rhonda K. Tigner
Permit Agent