

Shari Vleny 303-333-9810
12/11 left msg received OIR. Call if questions. Will schedule onsite
13:00 for APD in.

Melissa Lasley ~~(303) 279-6805~~ (720) 279-6805

12/1/06 13:05. Inform of OIR for the 4 wells and game her #'s.

1/6 left msg for Vleny that APD in. Please return call
to get up onsite.

~~2/2/08~~ left msg Vleny to call

2/1/02 msg from ~~Joe~~ ^{Moxen} attorney working w/ Vleny (303) 333-9810

3/1/07 Joe Moxen - pretty close on some. Hope to have
it resolved soon. within next couple of weeks.

Tare timeline is wanting to get things moving.
Told him if Tare wants to move forward soon, could

3/1/02 Melissa Lasley - left msg to call

3/1/07 M.L. & ? on Tare called. They will call Moxen
to discuss resolution the OIR. Maybe can withdraw
I told him if goes on and not pretty agreed
let Moxen know and will set up onsite.

3/2/07 left msg for Moxen to call after can for
Tare requesting status update

3/8/07 msg for Moxen. Return call & left msg back

3/16/07 withdrawn per Moxen - Attorney 15/30

Colorado Oil and Gas Conservation Commission (COGCC)
Onsite Inspection Request Form
 (Effective for APDs submitted after February 15, 2005)

As the surface owner(s) where a proposed well is being drilled, I/we are requesting that the COGCC conduct an onsite inspection. I/we did not execute a lease nor did I/we execute a surface use or other relevant agreement for the proposed well. I/we understand that good faith consultation with the operator as required under COGCC Rule 306. is required to have occurred prior to making this request to the COGCC to conduct an onsite inspection, and that this onsite inspection request must be received by the COGCC within ten (10) business days of the first day of the Rule 306. consultation.

Surface Owner Contact Information:

Name: Shari Ulery, Attorney for Contract Purchaser
 Address: 621 17th St. 19th Fl. Denver, CO 80293
 Telephone No. (303) 333-9810
 Cell Phone No. _____

Well Operator and Location Information:

Operator: Texas American Resources Co.
 Well Name: BOX ELDER H#13-31
 Location: NW1/4SW1/4 S31 T1S R65W
Quarter/Quarter Section Township Range
 County: Adams

First date Rule 306. consultation occurred: n/a
Date

Proposed two (2) dates for the COGCC onsite consultation (must be within thirty (30) days of the request)
 1st date 12/14/06 2nd date 12/15/06

I would prefer to have a representative of the appropriate Local Government (COGCC Local Governmental Designee) invited to attend the onsite inspection? yes ☒ no

Briefly describe the unresolved issues related to the proposed well (The onsite inspection shall not address matters of surface owner compensation, property value diminution, future use of the property or any private party contractual issues between the operator and the surface owner.)
Location of wells

Signature(s) Shari Ulery

Date 11/29/06

Please fax or first class mail this request for an onsite inspection to:

Colorado Oil and Gas Conservation Commission
 Attn: Onsite Inspection Specialist
 1120 Lincoln Street Suite 801
 Denver, CO 80203
 FAX (303) 894-2109

LAT: 39.919520

LONG: -104.708232

OP: 10138

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 Address: 621 17th St, 19th Fl, Denver, CO 80293
 Telephone No. (303) 333-9810
 Cell Phone No. _____

Well Operator and Location Information:

Operator: Texas American Resources Company
 Well Name: BOX ELDER H#22-31
 Location: SE1/4NW1/4 S31 T1S R65W
Quarter/Quarter Section Township Range
 County: Adams

First date Rule 306. consultation occurred: n/a
Date

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LAT -104.707964

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State of Colorado
Oil and Gas Conservation Commission

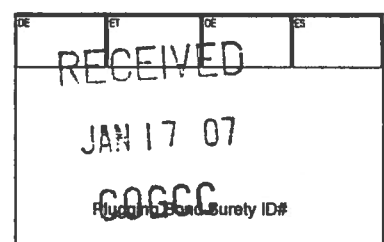
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL
OIL ☐ GAS ☒ COALBED ☐ OTHER: _____
SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Refilling ☐
Sidetrack ☐



3. Name of Operator: Texas American Resources Co. 4. COGCC Operator Number: 10138
5. Address: 410 17th St., Suite 1610
City: Denver State: CO Zip: 80202
6. Contact Name: Melissa Lasley Phone: (720) 279-6805 Fax: (303) 592-3030
7. Well Name: Box Elder H Well Number: 22-31
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 8500'
10. QtrQtr: SENW Sec: 31 Twp: 1S Rng: 65W Meridian: 6th
Latitude: 39.92337 Longitude: 104.70841
Footage At Surface: 1989 N 1734 W
11. Field Name: Wattenberg Field Number: 90750
12. Ground Elevation: 5259 13. County: Adams

Complete the Attachment Checklist		OP	COGCC
APD Orig & 1 Copy		<input checked="" type="checkbox"/>	
Form 2A		<input checked="" type="checkbox"/>	
Well location plat		<input checked="" type="checkbox"/>	
Topo map		<input checked="" type="checkbox"/>	
Mineral lease map		<input checked="" type="checkbox"/>	
Surface agrmt/Surety			
30 Day notice letter		<input checked="" type="checkbox"/>	
Deviated Drilling Plan			
Exception Location Request			
Exception Loc Waivers			
H2S Contingency Plan			
Federal Drilling Permit			

14. GPS Data:
Date of Measurement: 12.7.06 PDOP Reading: 1.7 Instrument Operator's Name: Dallas Nielsen

15. If well is: ☐ Directional ☐ Horizontal (highly deviated), submit deviated drilling plan. Bottomhole Sec Twp Rng: _____
Footage At Top of Prod Zone: _____ At Bottom Hole: _____
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: 1734
18. Distance to Nearest Property Line: 906 19. Distance to nearest well permitted/completed in the same formation: 682'

20. 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.)
J Sand	J SND	232-23	320	N/2

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease # _____
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):
Section 31: T1S-R65W ALL
25. Distance to Nearest Mineral Lease Line: 1734 26. Total Acres in Lease: 640acres

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☒ No If 28, 29 or 30 are "Yes" a pit permit may be required.
31. Mud disposal: ☒ Offsite ☐ Onsite
Method: ☒ Land Farming ☐ Land Spreading ☐ Disposal Facility ☒ Other: TBD other disposal facility
NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b.) If air/gas drilling, notify local fire officials.

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12 1/4	8 5/8	24#	425-1630'	300+	425-1630	Surface
Production	7 7/8	4 1/2	11.6#	8500'	300+	8500'	5900

32. BOP Equipment Type: ☐ Annular Preventor ☒ Double Ram ☐ Rotating Head ☐ None
33. Comments There is no PR well with in the 400'x400' window.

34. Initial Rule 306 Consultation took place on (date) 1.09.07, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.
PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED.
I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.
Signed: Melissa Lasley Print Name: Melissa Lasley
Title: Regulatory/Production Analyst Date: 1.12.07 Email: mlasley@texasarc.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: _____
Permit Number: 20070247 Expiration Date: _____
API NUMBER 05- CONDITIONS OF APPROVAL, IF ANY: _____

1) Note surface casing setting depth change from 425' to 1630'. Increase cement coverage accordingly and cement to surface. 2) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

