

April 9, 2015

Re: Davison MD27-4 (API#05-013-06289) Final Remediation and Reclamation – Change to Assessment Amount Based on Final Surface Disturbance Square Footage and Information about Reclaiming the Oil and Gas Road

Sent via email: sryan@foundationenergy.com, chris.canfield@state.co.us

Dear Mr. Ryan,

On March 12, 2015, Boulder County's Land Use Department approved Foundation Energy's exemption request (dated March 5, 2015) for final remediation and reclamation of the Davison MD27-4 (API 05-013-06289) site. In the March 5 request, Foundation Energy agreed to the following:

b. Oil stained soil which was found under the removed tank batteries will be removed with a backhoe until clean soil samples are taken and verified. Next the location will be re-contoured to as near as practicable to the original contours. Finally, Foundation has agreed to pay Boulder County Parks & Open Space a fee of \$300.00 to purchase seed and conduct the work to finalize surface restoration, per the attached email from Danielle Levine, Real Estate/O&G Specialist for Boulder County Parks & Open Space.

Due to the size of the soil contamination plume as well as the compromised dump lines, excavation size and surface disturbance area grew to larger than originally anticipated. The excavation entailed removing 644 tons (608 cubic yards) of contaminated soil and replacing it with clean fill and topsoil. Final surface disturbance area is 1,912 square feet (not including the oil and gas road). Soil remediation was completed on April 2, 2015.

The restoration (revegetation and maintenance) phase of this project could take several years. It will entail seeding and re-establishing vegetation, re-contouring and/or re-compacting the soil (if necessary), and monitoring/treating weed establishment for this larger area. Based on the increased area, Boulder County is changing our assessment fee from \$300.00 to \$1000.00. Scott Miller, the Boulder County tenant on the Rock Creek Farm property who will be doing the restoration work, will invoice Foundation Energy directly in the amount of \$500.00. For the remaining \$500.00, please make the check payable to:

Boulder County
5201 St. Vrain Rd.
Longmont, CO 80503

As far as the oil and gas road leading to Davison MD27-4 facilities, Boulder County requests that Foundation Energy remove the road, i.e., excavate and pile all associated road base along the Farm Road for tenant use (Map 1). Boulder County will provide approximately 100 cubic yards of soil to fill the excavated road. This soil is located on our Mayhoffer Open Space property at

T1S R70W S25 (Map 2). When Foundation Energy is ready to access this soil, please set up a date and time with me as the soil is behind a locked gate.

Finally, depending on how deep excavation needs to be, 100 cubic yards may not be enough soil. If additional soil is needed, Boulder County requests that Foundation Energy purchase the same topsoil as was purchased from Pioneer for the remediation work.

Please be in touch if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danielle C. Levine', with a stylized flourish at the end.

Danielle C. Levine
Real Estate/O&G Specialist
dlevine@bouldercounty.org
(303) 678-6265

Boulder County Rock Creek Farm Open Space

Foundation Energy Management
Former Well and Facilities Site
Davison MD27-4 (API# 05-013-06289)

S. 104th St.

Farm Road

2. Pile road base
along Farm Road
for tenant use

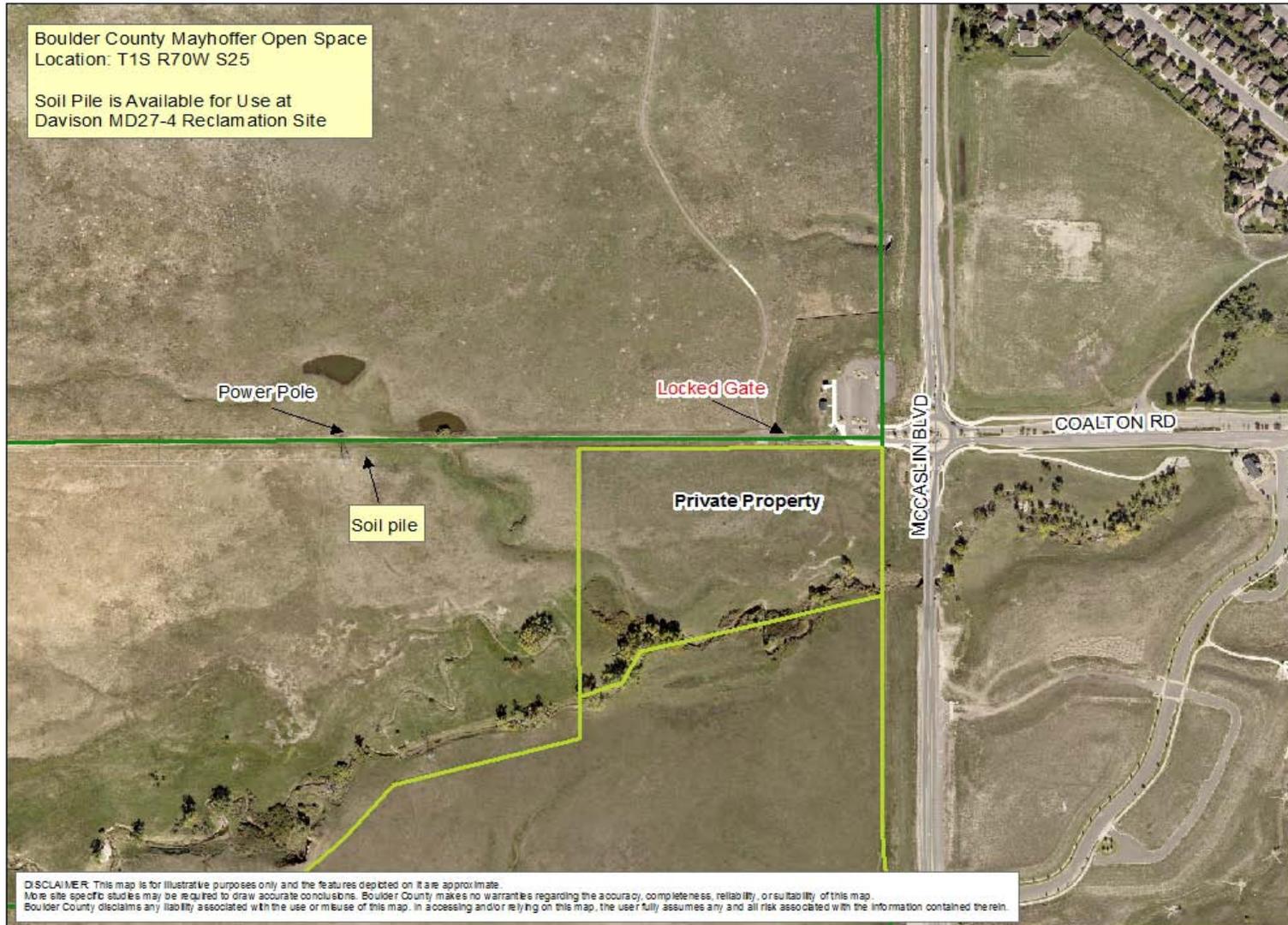
1. Excavate road base

MD-27-4

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Boulder County Mayhoffer Open Space
Location: T1S R70W S25

Soil Pile is Available for Use at
Davison MD27-4 Reclamation Site



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