

Foundation Energy Management, LLC  
Drilling - Completion - Workover - Facilities  
PROCEDURE

AFE No.:		AFE Amount		DRILLING		\$0					
AFE Type:		Plug & Abandon		COMPLETIONS							
AFE Category:		CAPEX		Total:		\$45,483					
WI:		NRI:		AFE Date:		9/22/2015		Budget Year:		2014	
Well / Battery:		Prospect Name		Total Depth		Est. Start Date					
Mitchem 2-26x		Paladin		7,614'		11/1/2015					
Location		Sec-Twn-Rng		Producing Horizon		County & State					
NE NE		26-3S-63W		JSND		Adams, CO					
AFE											
Plug and Abandon											
PROCEDURE											
<div><div>Pre-Job</div><div><div>1. Submit Intent to Plug Form 6 to COGCC for approval</div><div>2. Notify COGCC and land owner 10 days prior to Rig up</div><div>3. Notify COGCC inspector 48 hrs prior job</div><div>4. Haul off 140 bbl oil thats left in battery</div></div><div>Job</div><div><div>1. MIRU WO Rig.</div><div>2. ND Wellhead. NU BOP.</div><div>3. MIRU Wireline Truck.</div><div>4. Perform CBL at 1350'.</div><div>5. Communicate results to Tulsa office and COGCC</div><div>6. RIH to 6,775' and perf CSG.</div><div>7. POOH to (1400)' and perf CSG (depth dependent on CBL).</div><div>8. POOH to 850' and perf CSG.</div><div>9. RDMO Wireline Truck.</div><div>10. Changeover to 2-3/8" tubing tools.</div><div>11. RIH to 6,650' to pump 55 sx of cement.</div><div>12. POOH w/ 14 jts of 2-3/8" tbg and circulate 26 bbl of water. WOC and Tag plug.</div><div>13. POOH with 2-3/8" tbg to (1400)' and pump (64 )sx (depth &amp; cement calculation dependent on CBL).</div><div>14. POOH w/ 16 jts WOC and tag plug.</div><div>15. POOH tbg to 850', pump 185 sx and circulate 4 bbl. Confirm surface returns.</div><div>16. RDMO cement company.</div><div>17. POOH w/ 2-3/8" tubing. Lay down on float.</div><div>18. RDMO WO Rig</div><div>19. Dig 4' down around wellbore.</div><div>20. Cut off WH, weld cap.</div><div>21. weld information plate on cap.</div><div>22. Haul off both 300 bbl tanks (1 of them has a hole).</div><div>23. Reclaim land</div></div><div>Post - Job</div><div>File P&amp;A reports with COGCC and notify land owner.</div></div>											
APPROVAL											
By (Preparer)		Date		By (Field Foreman)				Date			
Dalton Reazin		09/22/15									
By (VP Operations)								Date			
Richard L. Payne											