

BOPCO L.P.

SURFACE USE PLAN

YELLOW CREEK FEDERAL 35-12-3533

ALL WELLS ON PAD

SECTION 35, T1N, R98W

Rio Blanco County, Colorado

Federal Lease: COC-059394

1. EXISTING ROADS

From the intersection of US Highway 64 and 10th Street in Meeker, Colorado proceed in a westerly direction along US Highway 64 approximately 19.8 miles to the junction of the Piceance Creek Road (County Road #5); exit left and proceed in a southerly direction along the Piceance Creek Road approximately 4.6 miles to the junction of County Road 20; exit right and proceed in a northwesterly direction along County Road 20 approximately 2.7 miles to the junction of County Road 83 (south) and County Road 88 (north). Continue on County Road 20 in a southwesterly direction approximately 2.3 miles to the junction of County Road 122; exit right and proceed in a westerly direction along County Road 122 approximately 5.2 miles to the intersection of a service road; exit left and proceed in a southeasterly direction along the service road approximately 1.1 miles to the intersection of a service road to the proposed access road for the 35-33-1; exit right and proceed in an easterly direction approximately 1.5 miles to the proposed access road of the 35-12-1. Exit left and drive in an easterly direction approximately 60 feet to the location.

Total distance from Meeker, Colorado is approximately 37.3 miles in a westerly direction.

All existing roads to the proposed location are State of Colorado, BLM maintained or County Class D roads.

Please see the attached map for additional details.

2. PLANNED ACCESS ROAD

Access will utilize the existing access to the YCF 35-33-1 with no improvements proposed.

3. LOCATION OF EXISTING WELLS

The following wells are located within a one-mile radius of the location site.

Producing well.....	Five (5)
Water well.....	None
Abandoned well.....	None
Temporary abandoned well.....	None
Disposal well.....	None

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Drilling/Permitted well.....	None
Shut in well.....	None
Injection well.....	None
Monitoring or observation well.....	None

4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES AND PRODUCTION GATHERING SERVICE LINES:

Current facilities on site to be moved to parallel along the access road into pad area, see attached map section sheet 4. The final actual layout will be submitted by Sundry Notice prior to moving and construction of facilities.

Dimension of current well site pad is 325' wide x 368' long. No additional pad area is required.

Site preparation for the drilling or production tank battery area will be done with standard excavation equipment using native materials. If additional surface material (gravel) is needed it will be obtained from a commercial sources or an approved borrow area.

All above ground permanent structures including production equipment will be painted to blend with the surrounding landscape. The color specified is given with the Standard Environmental Color – Juniper Green.

Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests. If well is a producer, all production facilities will be authorized by Sundry Notice.

Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.

Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut and fill slopes. These areas will be re-seeded. Refer to plans for restoration of surface for additional details.

Pits, which contain hydrocarbons, will be netted.

A dike shall be constructed around the tank battery, of sufficient capacity to contain at least 110 percent of the storage capacity of the largest tank within the dike.

Pursuant to On-Shore Order No 7, the operator requests permission for a lined disposal pit for produced water from this well for a period of 90 days after the date of initial production. A permanent disposal method will be established prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method will be submitted along with any necessary water analyses, in compliance with NTL-2B as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by the BLM.

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The pit will be lined with 12 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if rock is encountered during excavation. The pit liner will overlap the pit walls 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 pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during operation.

5. LOCATION AND TYPE OF WATER SUPPLY

No water supply pipelines will be laid for this well.

No water well will be drilled for this well.

Drilling water for this well will come from the produced water from the field to be used during drilling operations. This water will be hauled over the approved access road(s) shown within the attached map set (Sheet 7).

Water for construction, drinking, cement jobs, and dust suppression and operations will be utilized from one of the following sources:

Structure	Approp. Date	Decree Date	Amount	Priority No.	Case No.
Imes, Reynolds & Mckell Ditch	11/16/1888	10/2/1899	13.1 cfs	119	C.A. 82
Imes, Reynolds & Mckell Ditch	1/1/1889	5/23/1902	2.20 cfs	130	C.A. 111
Imes, Reynolds & Mckell Ditch	5/18/1899	5/23/1902	1.60 cfs	131	C.A. 111
Imes, Reynolds & Mckell Ditch	11/18/1957	11/21/1966	1.00 cfs	629	C.A. 1269
Imes, Reynolds & Mckell Ditch	11/20/1957	11/21/1966	3.70 cfs	631	C.A. 1269
Imes, Reynolds & Mckell Ditch	5/4/1964	11/21/1966	2.05 cfs	739	C.A. 1269
George S. Witter Ditch	4/5/1887	10/2/1899	2.50 cfs	117	C.A. 83
George S. Witter Ditch	7/15/1898	10/2/1919	1.90 cfs	118	?
George S. Witter Ditch	5/1/1902	9/14/1916	2.60 cfs	216	C.A. 285
George S. Witter Ditch	11/7/1957	11/21/1966	7.90 cfs	616	C.A. 1269

The secondary water supply for construction, drinking, cement jobs, and dust suppression and operations will be provided by the city of Meeker, a local source of municipal water, through a direct water purchase. Truck route is shown on Sheet 7.

6. SOURCE OF CONSTRUCTION MATERIALS

Constructions materials will consist of native materials from borrow ditches and location areas.

The use of materials will conform to 43 CFR 3610.2-3.

No construction materials will be removed from BLM lands.

If any gravel is used, it will be obtained from a state approved gravel pit sources.

7. METHODS FOR HANDLING WASTE DISPOSAL

BOPCO proposes to use a de-watering system in its drilling operations. The system uses a series of centrifuges to remove the cuttings from the drilling fluid and returns the fluid to tanks while the cuttings are disposed of in a cuttings pit on location. This method eliminates the need for a separate reserve pit and has proved successful on drilling operations within the Piceance Basin.

There will be no cuttings pit on this location unless the current COGCC rule is amended. If a cuttings pit is allowed the pit will be located on the pad between Corners 4 and 5 and will have measurements of 50 feet by 50 feet by 12 feet deep. The constructed volume of the pit will be 2,310 barrels (bbls) or 480 cubic yards assuming a 2 foot freeboard at capacity (refer to Sheet 3 and 4). Future cuttings pits have been sited for the drilling of subsequent directional wells. Drill cuttings will be buried within the cuttings pit. If time allows, the pit will be reclaimed prior to the end of the drilling season to eliminate any wildlife concerns.

There will be no cuttings pit on this location unless the current COGCC rule is amended. Cuttings will be placed on 12 mil black plastic, piled up and then haul to the Meeker Landfill. A berm will be put around the plastic pile to prevent runoff and to guard against a stormwater event. If a pit is allowed, the pit will be fenced "stock tight" on three sides during drilling operations and on fourth side at time of rig move out. The fencing will consist of 3 foot high-woven wire topped with two strands of barbed wire. The cuttings pit will remain fenced until backfilled.

No trash or debris will be disposed of in the cuttings pit.

All drilling fluids will be contained within a closed loop drilling system. Any extra drilling fluids will be stored in tanks on the cut side of the drill pad (refer to Sheet 5). Drilling fluids may be reused at the next well or delivered to an approved commercial disposal facility. If commercial disposal is selected, it is anticipated that RNI Industries (DALBO) located in Rangely, CO will be utilized.

Produced fluids will be contained in test tanks during completion and testing.

Sewage disposal facilities will be in accordance with State and local regulations at a site on the pad outside of drilling and/or production activity areas. Portable chemical toilets will be supplied and properly secured to the site to prevent possible upset. Sewage will not be buried on location or put in a borehole. The portable chemical toilets will be regularly inspected and cleaned until they are removed from the site.

Garbage and other waste will be contained in a portable bear-proof trash cage which will be totally enclosed with small mesh wire or dumpsters. The cage or dumpster will be located on the pad at a site outside of drilling and/or production activity areas. The contents of the cage or dumpster will be regularly transported to a Colorado Department of Public Health and

Environment (CDPHE) approved Sanitary Landfill until completion of operations. Trash will be picked up if scattered and contained in trash container as soon as practical after rig is moved off location. Trash containers would be relocated off-site as soon as practical after rig relocation. Upon release of the drilling rig, rathole and mousehole will be filled. Excess equipment will be removed and the well site area will be cleaned and all refuse removed.

8. ANCILLARY FACILITIES

Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.

No camps, airstrips or staging areas are proposed with this application.

9. WELL-SITE LAYOUT

See attached drillsite plat – map package Sheet 1a through 9.

The present site has no reserve pit and plans are to go only with a cuttings pit of 50 ft x 50 ft x 12 ft deep.

All cut /fill slopes are 1.5:1, Back slopes to be 2:1 or shallower.

Flare pit for drilling operations will (if used) to be located minimum 125 ft. from well bore and on outside of location pad.

The well will be properly identified in accordance with 43 CFR 3162.6.

Pits will remain fenced until site cleanup.

10. PLANS FOR RESTORATION OF THE SURFACE

Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.

Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. The pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours.

Following BLM published Best Management Practices the interim reclamation will be completed within 180 days of completion of the well to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.

All equipment and debris will be removed from the area proposed for interim reclamation and the pit area will be backfilled and re-contoured.

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The area outside of the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend with the surrounding area and reseeded as prescribed within the BLM approval documents

Reclaimed areas receiving incidental disturbance during the life of the producing well will be re-contoured and reseeded as soon as practical.

The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.

Prior to final abandonment of the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended seed mix will be detailed within their approval documents

11. SURFACE OWNERSHIP

Access road.....Federal
Location.....Federal
Pipe line.....Federal

12. OTHER INFORMATION

Project area is situated in the undulating uplands south of the White River.

Topographic and geologic features – moderate – relief area, well drained, sand and silt deposition, surrounded by rock outcrops with moderately eroded drainages.

Soil characteristics – clay/loam

Flora consists of: Juniper, Pinyon pine, Big sagebrush, Silver sagebrush, Matchbrush, Phlox, Prickly pear, Wintertfat, Bluebunch wheatgrass, Indian ricegrass, Needle and thread, Groundsel, and Western wheatgrass.

Fauna – mule deer and elk observed; assume coyotes, rabbits, raptors, prairie dogs, and rodents.

Concurrent surface use – grazing and hunting.

Mineral Owner – Federal, managed by the Bureau of Land Management – White River Field Office, 220 East Market Street, Meeker, Colorado 81641.

Surface Owner – Federal, managed by the Bureau of Land Management – White River Field Office, 220 East Market Street, Meeker, Colorado 81641.

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Proximity of water, occupied dwelling or other features – an un-named intermittent drainage of + .15 miles northeast of location, which flows into Yellow Creek.

Archaeological, cultural and historical information (A Class III (100% pedestrian) cultural resource inventory) was completed by an Archaeological Consultant and sent separately in to Michael Selle, BLM White River Field Office covering more than 10 acres on the drill site.

If any fossils are discovered during construction, operator shall cease construction immediately and notify the Authorized Officer so as to determine the significance of the discovery.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). With five working days the AO will inform the operator as to: whether the materials appear eligible for the National Register of Historic Places; the mitigation measures the operator will likely have to undertake before the site can be used (assuming in site preservation is not necessary); and, a timeframe for the AO to complete and expedite review under 36 CFR 800-111 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the Operator will then be allowed to resume construction.

Hazardous Materials: BOPCO L.P. maintains a file, per 29 CFR 1910.1200(g) containing currently 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 transported across these lands may include drilling mud and cementing products which are primarily inhalation hazards, fuel (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 substances and EHSs and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

13. Lessees or Operator's representative and certification:

A) Representatives

Trent W. Green, Division Production Manager
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Parker, CO 80134
Phone: (303) 799-5080
Fax: (303) 799-5081

Reed Haddock, Regulatory Analyst
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All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

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OPERATOR CERTIFICATION

This 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; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by BOPCO, L.P. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



DATE: October 27, 2009

Reed Haddock

Regulatory Analyst

BOPCO, L.P. Representatives:

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Jay Rasmussen, Area Production Supervisor; phone: (970) 220-2235

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STATEMENT OF USE OF HAZARDOUS MATERIALS

No chemical(s) form the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization. Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 CFR355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

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