



②: 2094958

Red Willow Production Company

1-9-6
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So Ute FC 34-10 #25-8
1124' FNL, 1649' FWL (surface location)
1936' FNL & 700' FWL (bottomhole location)
NENW Section 25, T34N, R10W
La Plata Co., CO

Lease # 14-20-151-30

THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads: (see attached map)

All roads used to access the well shall be properly maintained in the same or better condition than the roads presently found.

2. Planned Access Route: (see attached map)

From the intersection of State Hwy 550 & State Hwy 160 in Durango, Colorado, travel South on U.S. Hwy 550 for 5.3 miles; Go West on County Road 214 for 1.3 miles; Go North on County Road 214 for 1.0 miles; Go North on County Road 213 for 0.1 miles; Go Northwest on gravel road for 0.7 miles; Go North for 0.3 miles; Go Northeast on well access road 0.1 miles to existing Red Willow Production Co. So Ute Fc 34-10 #25-2 well pad.

3. Location of Existing Wells:

There are no water disposal wells, 28 water wells and 22 additional producing gas wells within the one mile radius of the So Ute Fc 34-10 #25-8 location. No other statuses apply – P&A, Shut In, TA, ect.

4. Location of Existing or Proposed Facilities: (see survey plat)

The well will share an existing well pad. See attached proposed equipment layout. Proposed facilities may consist of a wellhead, pumping unit, wellsite compressor, separator, dehydrator, meter house, water storage tanks and water transfer pump.

All permanent equipment will be painted as required.

5. Location and Type of Water Supply:

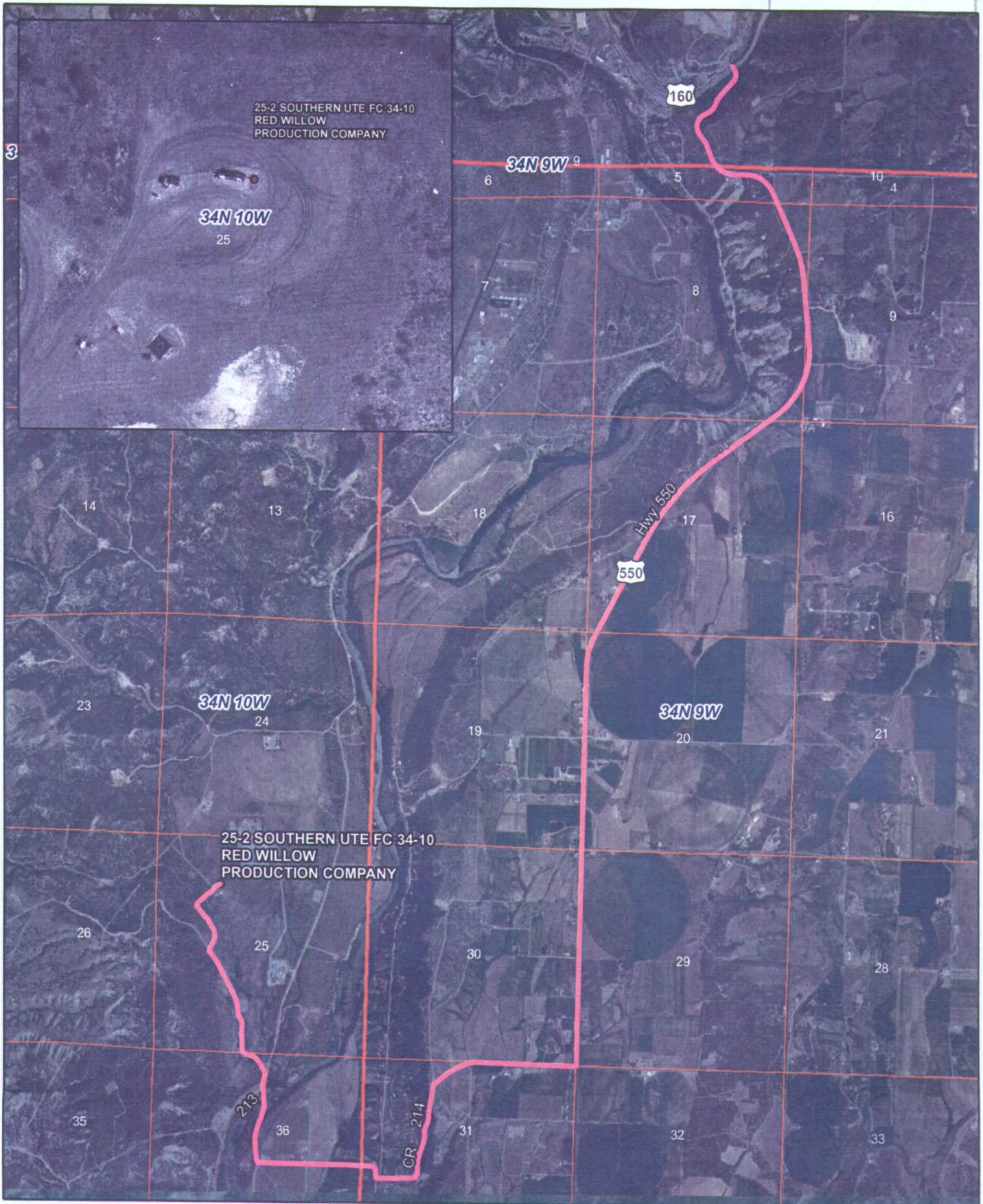
Fresh water for the project will be obtained from either City of Ignacio or from Red Willow tank batteries. Water will be trucked to the site using the same roads described above.

6. Construction Materials:

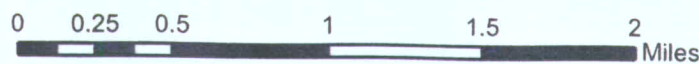
No construction materials are required to build the proposed location.

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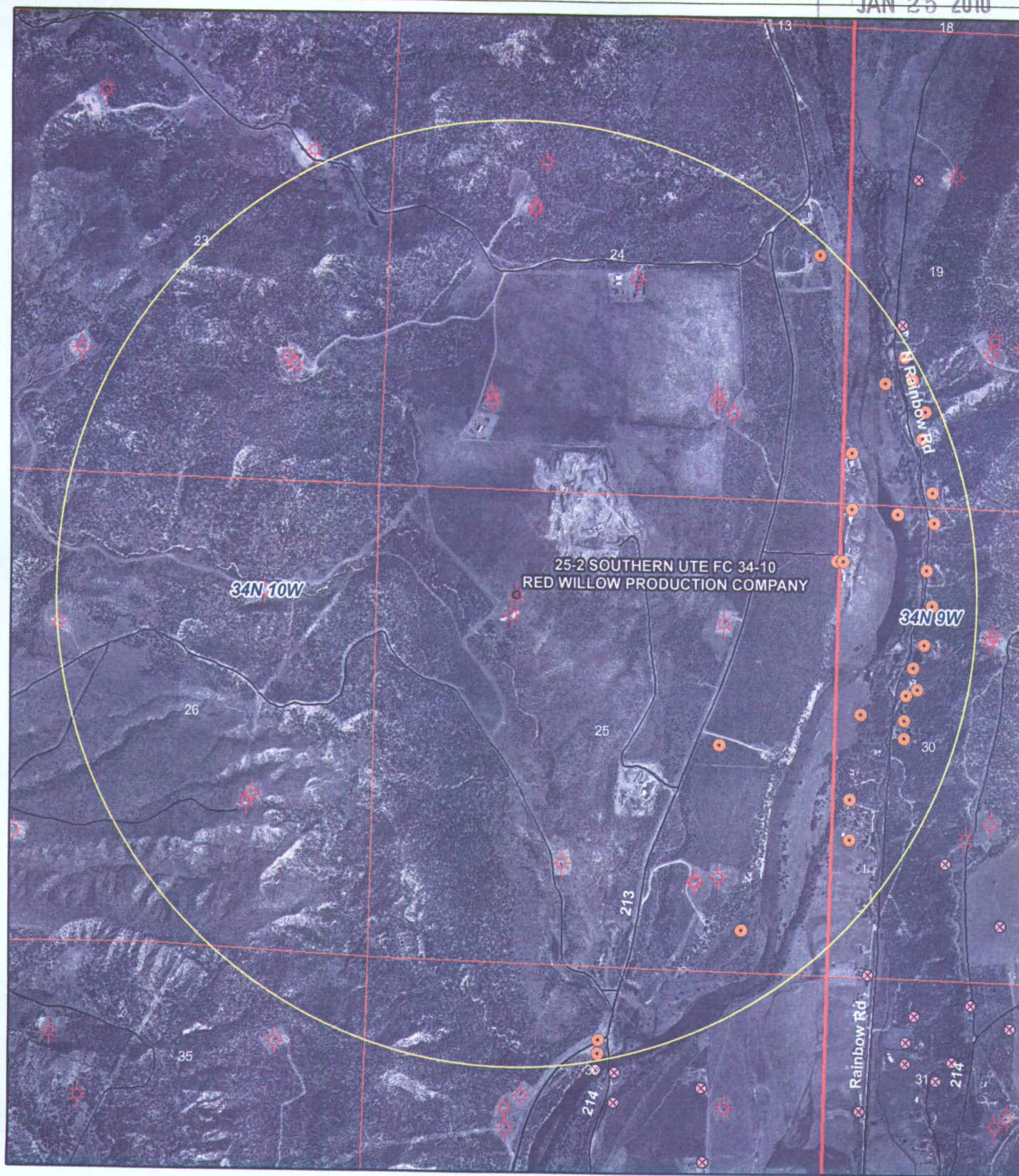


Route to Parent Well #25-2

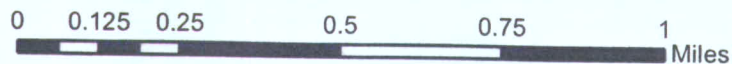


Legend
Route to Well Head
25-2 Parent

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Soute Fc 34-10 #25-8



Legend

- 25-2 Parent
- 1 Mile Buffer
- Water Wells within 1 Mile
- ⊗ Water Well Application (CDWR)
- ⊛ Wells

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THIRTEEN POINT SURFACE USE PLAN (cont.)
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7. Methods of Handling Waste Material:

All garbage and trash material will be put into a trash container. The container will be periodically emptied at an approved disposal site. A portable latrine will be provided for human wastes.

Drill cuttings will be placed in a lined reserve pit. Drilling fluids will be kept in the reserve pit. Fluids will be allowed to dry and will be buried with the cuttings in the reserve pit.

The wellsite cleanup will be done once the completion operations have finished. Trash will be collected in the trash container. The reserve pit will be fenced on three sides during drilling and on four sides during completion. The pit will remain fenced until the pit has dried enough to be backfilled.

Water produced during testing will be drained into the reserve pit. Gas will be flared during both the drilling and completions operations only if necessary.

8. Ancillary Facilities: None.

9. Wellsite Layout:

Refer to survey plat, cut-and-fill diagram and rig layout diagram. Reserve pit will be lined.

10. Plans for restoration of the surface:

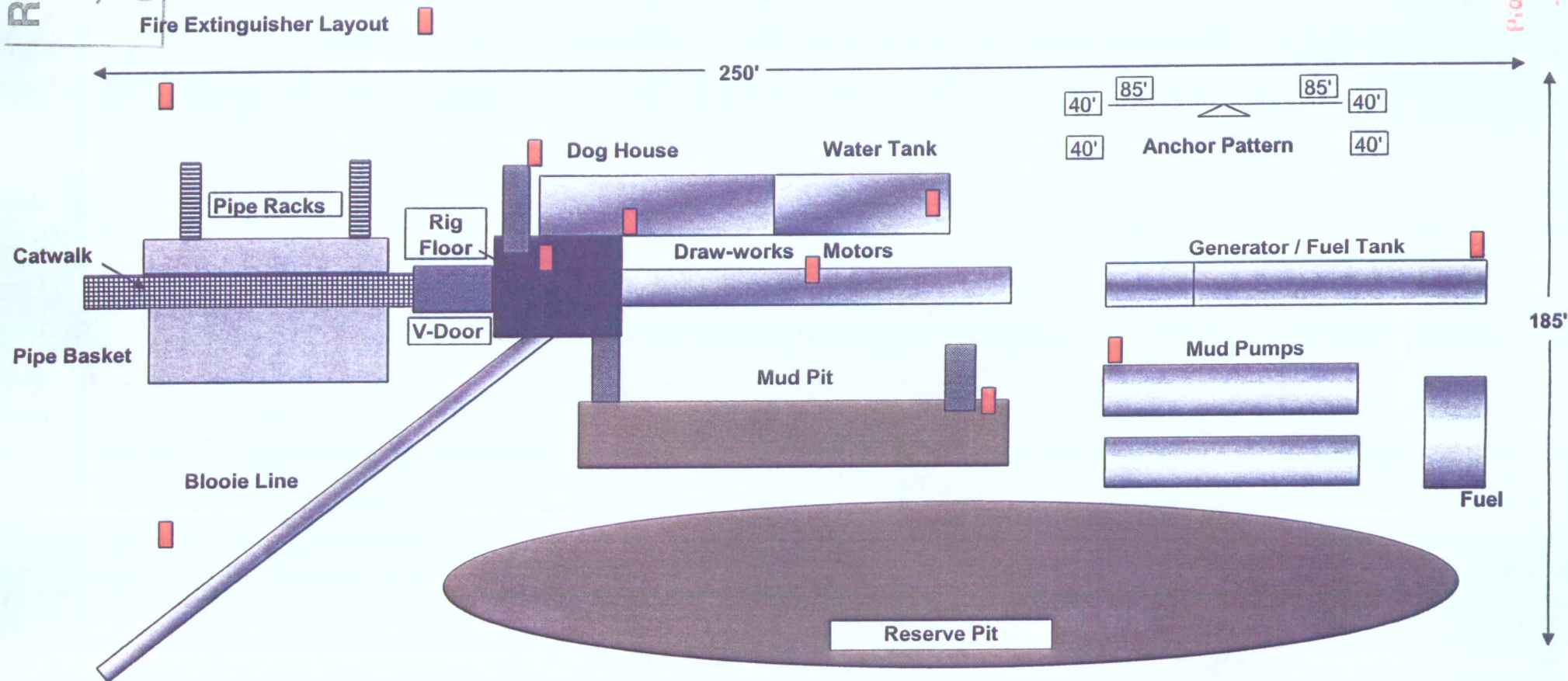
Following completion of the project the location will be cleaned and leveled. Backfilling of the reserve pit will be done when dry. Contouring will be done in conjunction with backfilling. Waste removal will commence as soon as drilling is complete. Topsoil will be stripped and stockpiled to be spread over the recontoured area prior to re-vegetation. Re-vegetation will be done during the appropriate season. This will be conducted using BLM specified seed mixtures and planting times. All areas not needed for production operations will be reseeded. The reserve pit will be fenced until covered. Any oil accumulation will be removed.

11. Surface Ownership:

Indian Surface

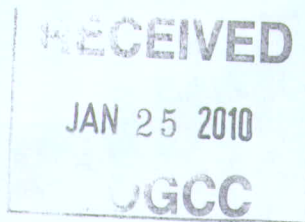
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Location Layout



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Insurance Company of New York

THIRTEEN POINT SURFACE USE PLAN (cont.)
SU FC 34-10 #25-8

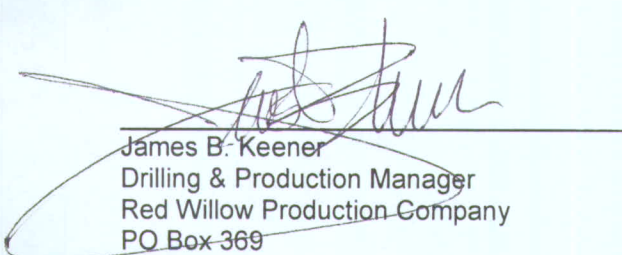


12. Other Information:

Contact one of the following personnel for operations, engineering and/or regulatory issues:

	<u>Office</u>	<u>Mobile</u>	<u>Home</u>
Jerry Damron	970-563-5180	505-320-6495	505-325-0643
James Keener	970-563-5163	970-759-1811	970-259-7750
Robert Voorhees	970-563-5160	970-749-1341	970-382-9166

13. I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; 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 18 U.S.C. 1001 for the filing of a false statement. Executed this 9th day of December, 2009.



James B. Keener
Drilling & Production Manager
Red Willow Production Company
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Ignacio, CO 81137
970-563-5163