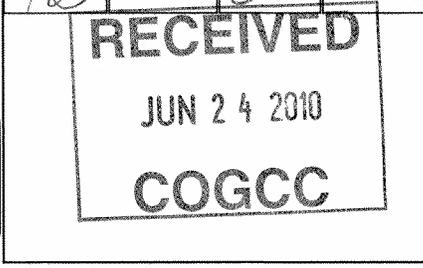




1120 Lincoln Street, Suite 801, Denver Colorado 80203 (303) 894-2100 Fax (303) 894-2109

WELL ABANDONMENT REPORT

Submit original plus one copy. This form is to be submitted as an intent whenever a plugging is planned on a borehole. The approved intent shall be valid for twelve months after the approval date after that period a new intent will be required. After the plugging is complete, this form and one copy shall again be submitted as a subsequent report of the work as actually completed.



COGCC Operator Number: 10112	Contact Name & Telephone Jack Rich	24 hour notice required, contact:
Name of Operator: Foundation Energy	No: 972-934-8385	
Address: 14800 Landmark Boulevard Suite 220	Fax: 972-934-8610	
City: Dallas State: TX Zip: 75254	Tel:	

API Number 0510308260	Well Name: Baxter Pass Fed	Well Number: #17D-23-4-103	Complete the Attachment Checklist <table border="1"> <tr> <td>Wellbore Diagram</td> <td>Oper</td> <td>OGCC</td> </tr> <tr> <td>Cement Job Summary</td> <td></td> <td></td> </tr> <tr> <td>Wireline Job Summary</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>	Wellbore Diagram	Oper	OGCC	Cement Job Summary			Wireline Job Summary								
Wellbore Diagram	Oper	OGCC																
Cement Job Summary																		
Wireline Job Summary																		
Location (QtrQtr, Sec, Twp, Rng, Meridian): NWNW 23 4S 103W 6 PM																		
County: Rio Blanco	Federal, Indian or State Lease Number: 44515																	
Field Name: Baxter Pass	Field Number: 5700																	

Notice of Intent to Abandon **Subsequent Report of Abandonment**

Only Complete the Following Background Information for Intent to Abandon

Latitude: 39.702 Longitude: -108.929333

GPS Data: _____

Date of Measurement: _____ PDOP Reading: _____ Instrument Operator's Name: _____

Reason for Abandonment: Dry Production Sub-economic Mechanical Problems Other

Casing to be Pulled: Yes No Top of Casing Cement: _____

Fish in Hole: Yes No If yes, explain details below _____

Wellbore has Uncemented Casing Leaks: Yes No If yes, explain details below _____

Details: _____

Current and Previously Abandoned Zones

Formation	Perforations - Top	Perforations - Bottom	Date Abandoned	Method of Isolation (None, Squeezed BP, Cement, etc)	Plug Depth
Mancos B	3,152'	3,192'	-----		
"	3634	3784	7/21/83	cement + squeeze	3634
"	4730	4830	"		

Casing History

String	Size of Hole	Size of Casing	Weight per ft	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12 1/4"	10 3/4"	32.75#	202'	75	202	0
Intermediate	9 7/8"	8 5/8"	32#	3,727.87'	315	3728	
Long	7 7/8"	5 1/2"	15.5#	6,329'	130	6329	
OH				6393			

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth 3,102' with 10 sacks cmt on top. CIBP #2: Depth _____ with _____ sacks cmt on top.

Set _____ sks cmt from _____ ft to _____ ft. in Casing Open Hole Annulus

Set _____ sks cmt from _____ ft to _____ ft. in Casing Open Hole Annulus

Set _____ sks cmt from _____ ft to _____ ft. in Casing Open Hole Annulus

Set _____ sks cmt from _____ ft to _____ ft. in Casing Open Hole Annulus

Set _____ sks cmt from _____ ft to _____ ft. in Casing Open Hole Annulus

Perforate and squeeze at 252 ft. with 30 sacks Leave at least 100 ft. in casing

Perforate and squeeze at _____ ft. with _____ sacks Leave at least 100 ft. in casing

Perforate and squeeze at _____ ft. with _____ sacks Leave at least 100 ft. in casing

Set _____ sacks half in, half out surface casing from _____ ft. to _____ ft.

Set 30 sacks at surface

Cut four feet below ground level, weld on plate Dry-Hole Marker: Yes No

Set _____ sacks in rat hole Set _____ sacks in mouse hole

Additional Plugging Information for Subsequent Report Only

Casing Recovered: _____ ft. of _____ in. casing Plugging date: _____

*Wireline Contractor: _____ *Cementing Contractor: _____

Type of Cement and Additives Used: _____

*Attach job summaries.

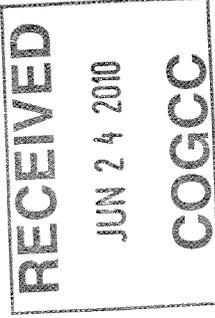
I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: _____ Email: _____

Signed: Jack Rich Title: _____ Date: 6/22/10

OGCC Approved: [Signature] Title: _____ Date: 7/8/10

CONDITIONS OF APPROVAL, IF ANY: (1) GPS (2) cement plug covering surface casing shoe -> perf/squeeze @ 252' w/ 30 sacks



P & A Procedure for the Baxter Pass Federal 17D-23-4-103

Surface Casing: 10 3/4" @ 202' TOC @ Surface
Production Casing: 5 1/2" @ 6,329' TOC @ Surface
Tubing: 2 7/8" N80 at 3,109'
PBTD @ 3,634'
Perfs: 4,830'-4,730', 3,784'-3,634', 3,152'-3,192'
EOT: 3,109'

Prior to MIRU, blow the well down, and check deadmen.

MIRU, install 5,000# BOP

POH to check tubing

RIH to 3,192' with bit

POH

RIH with CICR and set at 3,102'

Establish injection rate

Pump 20 sacks under and 10 on top of the CICR

Pressure test casing to 1,000 PSI, if good proceed, if not call for orders

Roll hole with produced water

TOH to 90'

Circulate cement to surface +/- 10 SKS

TOH

ND wellhead and BOP

Cut off wellhead

Top off cement if necessary

Weld on plate

RDMO

→ perf/squeeze @ 252' - ensure that sufficient cement for a minimum 100' length plug, from 50' below shoe to 50' (or more) above - both inside & outside the casing.