

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

9. API Well No.

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator

3a. Address

3b. Phone No. (include area code)

10. Field and Pool, or Exploratory

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office\*

12. County or Parish

13. State

15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any)

16. No. of acres in lease

17. Spacing Unit dedicated to this well

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.

19. Proposed Depth

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

22. Approximate date work will start\*

23. Estimated duration

**24. Attachments**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature

Name (Printed/Typed)

Date

Title

Approved by (Signature)

Name (Printed/Typed)

Date

Title

Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

**Laramie Energy II, LLC**  
10-point Drilling Plan

Well No:	<b>Honea Fed. 24-09C</b>	Measured Depth:	<b>10934'</b>
Surface Location:	<b>Lot 2, Sec. 19 T7S R93W</b>	True Vertical Depth:	<b>10549'</b>
BH Location	<b>Lot 4 Sec. 24 T7S R94W</b>	Pad Identification:	<b>Honea 19-05 Pad</b>
Lease No:	<b>COC 66920</b>	Reference:	
County	<b>Garfield</b>		

**1 & 2 Estimated Tops of Geological Markers and Formations  
Expected to Contain Water, Oil and Gas and Other Minerals:**

<b><u>**Formation</u></b>	<b><u>TVD(ft.)</u></b>	<b><u>MD(ft.)</u></b>	<b><u>Comments</u></b>
Tertiary Wasatch	Surface	Surface	
Wasatch G Sand	4490	4770	Possible gas
*Mesa Verde/ Williams Fork	6892	7277	Saltwater, poss. Gas zones to Est. TOG
Est. Top of Gas	8341	8726	Gas
Cameo	9607	9992	Gas with possible Saltwater zones
Rollins	10399	10784	Gas
TD	10549	10934	

3 permitted water wells within 1 mile of the Honea 19-05 pad. See "Well Vicinity Map" Exhibit..

Any sources water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. A sample will be taken of any water flows that are significant enough to be sampled, and furnished to the Colorado River Valley Field Office for analysis, if requested.

\* The top of the Mesa Verde Group and the Williams Fork Formation is interpreted to be one and the same.

**3. Pressure Control and Auxiliary Equipment**

After setting surface casing to the specified depth (section 5), 3,000-psi equipment will be used. Equipment will be installed per **Attachment A**. Test pressures will be as follows:

11" – 3,000-psi ram type BOP's	3,000 psi
11" – 3,000-psi annual BOP's	1,500 psi
Ancillary equipment and choke manifold	5,000 psi
Surface casing	1,500 psi

Pressure tests will be conducted after installation of equipment and prior to drilling out casing float equipment and every 30 days thereafter. A certified tester will perform pressure testing and charts will be made available from Laramie upon request.

BOP, choke manifold, and accumulator equipment installation will be consistent with 43 CFR Part 3164.1 Onshore Oil and Gas Order No. 2.

**Auxiliary equipment:**

- a) Manually operated kelly cocks.
- b) Full opening floor valves capable of fitting all drill-string connections will be kept on the floor in the open position.

#### 4 & 5. Casing and Cementing Program

Hole Info		Setting Depth			Casing Information						
<u>Hole</u>	<u>Size</u>	<u>MD</u>	<u>TVD</u>	<u>Size</u>	<u>Grade</u>	<u>Weight</u>	<u>Type</u>		<u>Collapse</u> <u>psi</u>	<u>Burst</u> <u>psi</u>	<u>Yield</u> <u>Klbs</u>
Cond.		40'		16"	0.25" Thick Wall						
Surf.	14 3/4	2500	2397	8 5/8"	J-55	32.0 lb	STC	New	2530	3930	372
Prod.	7 7/8	10934	10549	4 1/2"	I-80	11.6 lb	LTC	New	6350	7780	267

Cementing Program							
<u>Casing</u>	<u>Stage</u>	<u>Sx.</u>	<u>Yield</u>	<u>Weight</u>	<u>Type</u>	<u>~TOC</u>	
Conductor					Redi-mix		
Surface	Lead	261	2.37	12.3 ppg	Rockies LT, 0.125#/sk Polyflake + additives		
	Tail	215	1.44	14.2 ppg	Rockies HE, 0.125#/sk Polyflake + additives	Surface	
Production	Lead	915	2.40	11.0 ppg	25/75 Poz G with 10% lime, 8% gel, 0.125 #/sk Polyflake	200'	
	Tail	539	1.48	13.5 ppg	50/50 Poz G 2% Gel, 0.3% Halad-322, 0.3% Versaset, 0.2% Super CBL, 0.4% HR-601, 0.13#/sk Polyflake, 7#/sx Gilsonite, 3#/sx Silicate, 0.6% Halad-23	Above WS/MV Contact	

Area Fracture Gradient: 0.65 psi 1 foot

Surface Casing Full cement returns back to surface will be attempted, calculation for hole size and pipe size are used with a 50 to 100% excess volume. If full returns are not seen or fallback occurs, 1" injection of remedial cement down the backside will be performed and topped to surface.

Production Lead Cement to tie cement to bottom of surface casing (volumes to be calculated from caliper log +10%). Volumes on APD are based on a 9" hole to compensate for washout. Tail Cement from well total depth and tie to bottom of lead cement 200' above top of Mesa Verde gas as determined from porosity log (volume to be calculated from caliper log).

Conductor pipe and surface casing is cemented back to surface. Placement of production casing cement on all wells is attempted to isolate the casing from all formations. If cement can not be circulated back to surface casing, the minimum TOC will be 200 feet above the Wasatch / Mesa Verde Contact.

#### 6. Mud Program:

<u>From</u> <u>(md)</u>	<u>To</u> <u>(md)</u>	<u>Mud Type</u>	<u>Weight</u> <u>ppg</u>	<u>Vis.</u>	<u>Water Loss</u>	<u>Chemicals</u>
0/0	2500	Spud	8.33-8.5	40-50		
2500	TD	LSND	8.5-9.6	40-60	8-12	Visease & 507

Spud mud will be used to drill surface (gel and lime). System will be converted to a low solids non-dispersed gel polymer system with WL of 6 to 10 from under surface, weight of 8.33 – 8.5

ppg and Vis of 40-45 will be maintained until more weight is needed (possibly preparing logs) then will be 8.5 – 9.6 ppg as needed. Mud weights based on other wells drilled on the Honea 19-05 pad. A balanced or slightly underbalanced system will be used to prevent minimize loss circulation and damage to the formation. Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite.

Mud reports will be kept on location at all times. No chrome constituent additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

## **7. Testing, Logging and Core Programs:**

Cores:	None
DST's:	As needed; none anticipated
Sampling:	None
Surveys:	Run every 100' on surface hole and on trips
Mud logger:	one-man or computer unit with at least total gas and drill rate from base of surface casing to TD.
Logging	<u>Open-hole logs:</u> An attempt will be made to obtain open-hole logs for the well. Logs and intervals include HRI with SP, GR, and CALIPER from TD to surface casing, Spectral Density/Dual Spaced Neutron from TD to top of Williams Fork and over other selected zone of interest. Logs will be submitted to the BLM in .LAS format along with Form 3160-4 "Well Completion and Recompletion Report".

Cased-hole logs: Cased-hole logging tools will be run in the case the well cannot be logged open-hole. Logs and intervals include a cased-hole pulsed neutron log from TD to 100' above top of Williams Fork and GR from TD to surface casing.

As Field Development progresses and knowledge of the reservoir increases, fewer open-hole logs will be run and replaced with cased hole.

## **8. Anticipated Pressures and Temperatures:**

No over pressured formation is anticipated. A BHT of 170-190 degrees F is expected. A BHP of 5266 psi is expected. Surface pressure assuming a partially evacuated hole with a for 0.22 psi/ft. gradient will be 2945 psi.

Proper mud weight will be maintained to drill at a balanced or slightly over-balanced condition.

Notification will be made if planned drilling practices deviate from this.

## **9 & 10. Drilling Schedule**

Anticipated starting date:	October 1, 2010
Duration of operation:	15-20 days.

No location will be moved, no well will be plugged and no drilling or work-over equipment will be removed from a well to be placed in a suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the Authorized Officer within a minimum of twenty-four (24) hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Field Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular workday.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329, "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed directly with the Minerals Management Office, Production Accounting Division, P. O. Box 17110, Denver, Colorado 80217.

Immediate Report: Spills, blowouts, fires, leaks, accidents or any other unusual occurrences shall be promptly reported to the Field Office in accordance with requirement of NTL-3A.

If a replacement rig is contemplated for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval of the Authorized Officer and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be obtained from the Authorized Officer.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication not later than five (5) business days following the date the well is placed on production.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The BLM Field Office will coordinate the field conference.

No well abandonment operations will be commenced without prior approval of the Authorized Officer. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer. A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Field Office within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment notice will be completed to the satisfaction of the Authorized Officer or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the Field Office. The preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require Field Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be constructed after contouring. The top of the marker will be closed or capped and the following minimum information will be permanently placed on the marker with a plate, cap or beaded-on with a welding torch: "Well name", as applicable; "well number, location by quarter/quarter section, township and range"; and "lease number".

Laramie Energy II, LLC will be operating under its Colorado Bond # COB000206.



# Laramie Energy II, LLC

## Attachment A to Form 3160-3

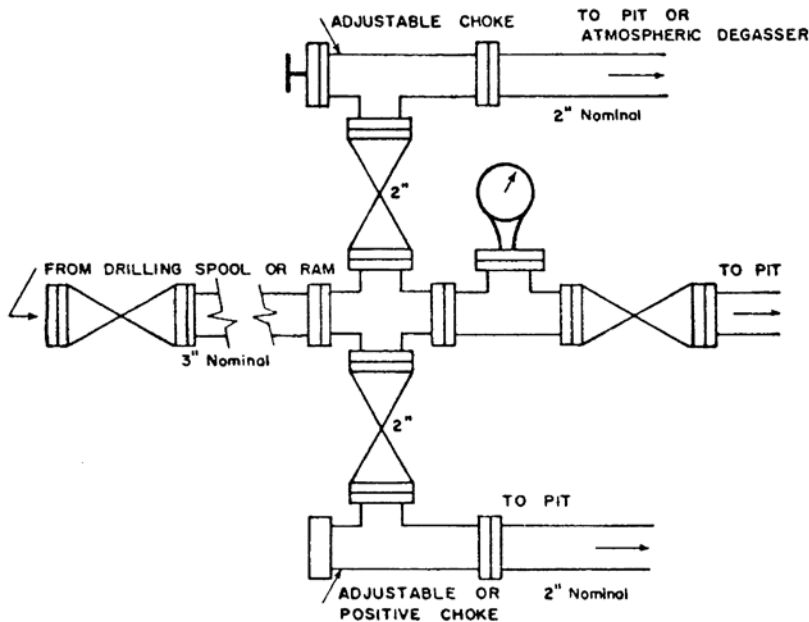


FIGURE K4-1. IADC recommended choke manifold for 2000 and 3000 psi WP service.

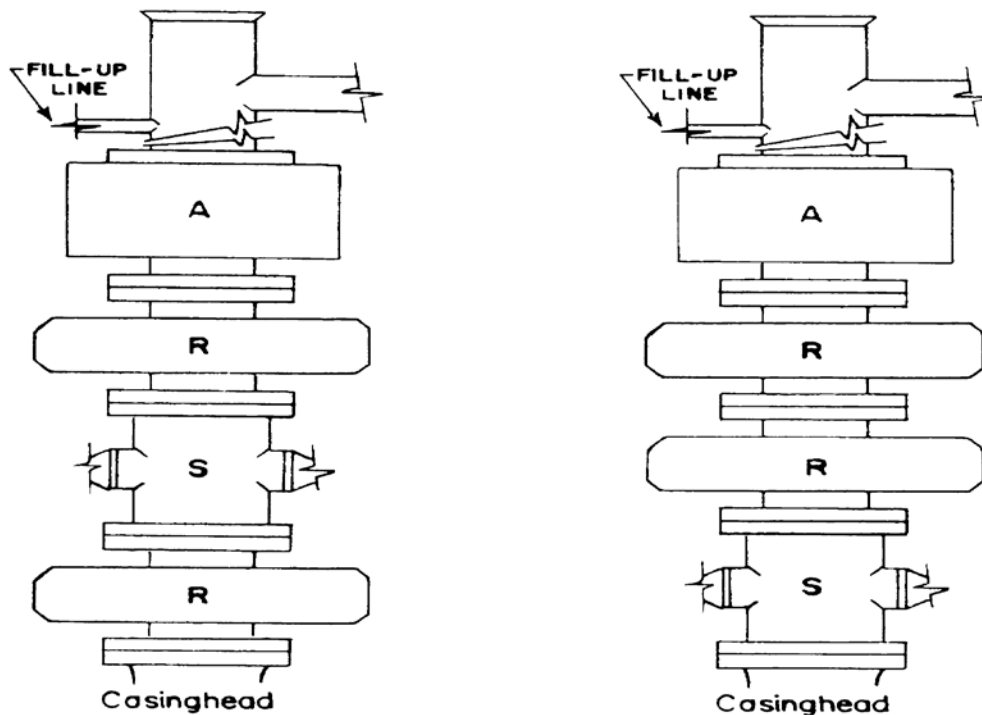


FIGURE K1-2. Recommended IADC Class 3(3000 psi WP) and 5(5000 psi WP) stacks. Either RSRA (left) or SRRA (right) is acceptable and drilling spool is optional is side outlets on rams are utilized.

### **13 Point Surface Use Plan**

LARAMIE ENERGY II, LLC  
Garfield County, Colorado

**Lease COC-066920**  
Honea Federal 24-09C

Surface Location Lot 2 Sec. 19, T07S, R93W 6<sup>th</sup> PM (Existing Private Pad)  
Bottom Hole Location: Lot 4 Sec. 24, T07S, R94W 6<sup>th</sup> PM

#### **Overview**

Laramie Energy II, LLC (LEII) proposes to directionally drill the Honea Federal 24-09C well in to Federal Lease COC-066920 which LEII has acquired a farm-out agreement from Noble Energy (Lessee of Record). The intent is to drill and complete the well to evaluate the potential of acreage to the south of minerals owned or leased by Laramie II. If the well proves to be successful, LEII will submit a Master Plan of Development to develop the remainder of the lease or that acreage accessible.

The Hone 19-05 pad was constructed in the fall of 2008 by Laramie Energy II, LLC. The location of the pad is on property owned by Laramie Energy II, LLC. There are two existing fee wells drilled on the pad but are not completed at the time of this permit.

#### **1. Existing Roads (See exhibit “Access Road Map”)**

To access the proposed project area, travel south from the Rifle, CO exit on Interstate-70, turn right on 7<sup>th</sup> street, continue until 7<sup>th</sup> street becomes County Road (CR)320. Continue on CR320 for ~ 2.9 miles to a and turn left on CR 317 (aka Beaver Creek Road). Continue south on CR 317 ~5.3 miles until CR 317 intersects what is known as the Leverich-Encana access road. Turn right on the access road and travel approximately 1.9 miles to the Honea 19-05 pad.

All heavy trucks are required to access the site from the Rulison exit and follow the Rulison-Rifle road.

#### **2. Planned access road**

No new access roads are required.

The access road and surface disturbing activities will conform to standards outlined in The Oil and Gas Gold Book-**Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development** (Fourth Edition, 2005).

All equipment and vehicles are confined to the access road, pad and areas specified in this APD.

Laramie II will be responsible for continuous inspection and maintenance of the access road. Laramie II will conform to a schedule of preventive maintenance, which at a minimum, provides for the following corrective measures on a biannual basis. (Problem areas will be corrected as needed.)

1. Road surface grading.
2. Relief ditch, culvert cleaning and cattle guard cleaning.

3. Erosion control measures for cut and fill slopes and all other disturbed areas.
4. Road closures in periods of excessive soil moisture to prevent rutting caused by vehicular traffic.
5. Road and slope stabilization measures as required. The road shall be maintained to the standards required for the construction of the road until final abandonment and rehabilitation takes place.

### **3. Location of Existing Wells**

There are currently 2 fee wells drilled on the Honea 19-05pad. There are 6 additional natural gas wells owned by LEI in some stage of activity within a one-mile radius of the proposed well. The 10-point Drilling Plan (Part 1 & 2) identifies 3 water wells permitted within a one-mile radius of the proposed well.

### **4. Location of Tank Batteries, Production Facilities and Production Gathering and Service Lines**

Layout of the production facility has not yet been determined. A preliminary anticipated production layout is part of the permit. A final layout will be submitted to the CRVFO when completed as required by Onshore Oil Gas Order No. 1 part VIII and in compliance with 43 CFR 3160's.

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective, earth-tone color to match the standard environmental colors or to the Land Owner's satisfaction. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Production facilities will be placed to allow maximum reshaping of cuts and fills.

If a tank battery is constructed on this lease, a metal containment ring or dike of sufficient capacity to contain 110% of the storage capacity of the largest tank will surround it. All loading lines and valves will be placed inside the containment ring or dike surrounding the tank battery.

The production tankage for the Federal 24-09C will be designed solely dedicated to the Federal 24-09C well. No commingling of fluids will take place.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the Authorized Officer.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for this well will be located within one hundred (100) feet of the wellhead. The gas flow line will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The gas meter will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Authorized Officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Field Office. All meter measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.



In order minimize the amount of vehicular traffic to and from the project site, remote telemetry equipment will be installed at each multi-well pad.

Gathering Line: No additional gathering line will be needed beyond that originally installed for the Honea 19-05 Pad.

## **5. Location and Type of Water Supply**

Water for the well will be trucked or pumped from approved sources.

LEII has a Recovery Agreement with the U.S. Fish and Wildlife and is covered by the BLM's Programmatic Biological Opinion for water depletion. A copy of this agreement is on file with the CRVFO

Water will be purchased from a private entity from their water well. The Colorado Division of Water Resources requires the owner to meter the volume pumped and augment all diversions with industrial contracts with the Bureau of Reclamation.

Drilling, completion, and produced water will be recycled and used.

## **6. Source of Construction Materials**

Surface and subsoil materials within the proposed construction areas were used. Additional gravel or pit lining material was obtained from private sources.

## **7. Methods for Handling Waste Disposal**

The only pit proposed location is a cuttings pit. LEII's plan is to drill the well on the Honea 19-05 pad with a dewatering system with no need for a reserve pit. Drilling fluids are recycled and re-used with cuttings being de-watered and captured in a catch pan and removed to the cuttings pit.

Produced water is recycled and used in Laramie's drilling operations after completion of a well.

Produced fluids—liquid hydrocarbons produced during completion operations will be placed in test tanks on the location.

A permanent 300-400 bbl steel tank will be installed next to the production facilities to contain any produced water(if not used for drilling or completion) for the duration of the well. The produced water will be disposed of at the Danish Flats Disposal Facility in Cisco, Utah or another state approved disposal facility.

- Cuttings: These will be contained on location in the cuttings pit.
- Drilling fluids and chemicals: These are recycled through the dewatering system, treated and re-used.
- Sewage: Chemical toilets or an enclosed sewer system will be used. Contents will be disposed of at an approved disposal facility. No bore holes will be used for disposal of waste materials. Human waste will be contained and will be disposed of at an approved sanitary landfill.
- Garbage and other waste materials: All garbage and trash will be stored in a totally enclosed trash container and removed and deposited in an approved sanitary landfill within one week following termination of drilling operations. No garbage or trash will be disposed of in the reserve pit. The wellsite and access road will be kept free of trash and debris at all times.

Laramie II complies with those standards set forth by CERCLA and RICRA for the disposal of hazardous waste materials from oil and gas development. Also, hazardous substances specifically

listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

## **8. Ancillary Facilities**

There are no ancillary facilities planned beyond the standard drilling operations equipment at this time.

Standard Drilling Operation Equipment on location includes: Drilling rig with associated equipment; living facilities for company representative, tool pusher, mud logger, directional driller; toilet facilities; and trash container(s).

## **9. Wellsite Layout**

The “Well Location Map” exhibit shows the surface location and bottom hole location. The “Pad Layout” exhibit is the site and topography map. The “Access Road Map” shows existing access route. The gathering line was laid in the shoulder of the access road. The “Lease Boundary” exhibit is self explanatory.

The cuttings pit is constructed in the cut side of location. Pit location is noted in “Pad Layout” exhibit.

- The available ground cover, including topsoil, estimated to be 8 to 10 feet, was removed from the location. The stockpiled topsoil surrounds the location as noted on the “Pad Layout” exhibit.
- Trash will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location.

## **10. Plans for Restoration of the Surface**

Immediately upon completion of drilling, the location and surrounding area will be cleared of all remaining debris, materials, trash and junk not required for production, and hauled to the nearest legal landfill.

The backfilling of the cuttings pit will be done in such a manner that the cuttings will be confined to the pit and not squeezed out and incorporated in the surface materials. There will be a minimum of three feet of cover (overburden) on the pit. When work is complete, the pit area will support the weight of heavy equipment without sinking.

Laramie Energy II or its contractor will notify the Bureau of Land Management, CRVFO, (970) 876-9000, forty-eight (48) hours before starting reclamation work that involves earth-moving equipment and upon completion of restoration measures.

After completion activities, the operator will reduce the size of the well pad to the minimum surface area needed for production facilities, while providing for reshaping and stabilization of cut and fill slopes. Slopes will be re-contoured to minimize areas that exceed a 3:1 slope. Any areas exceeding the 3:1 slope criteria or high walls shall be reclaimed using enhanced stabilization and erosion prevention methods.

The stockpiled ground cover will be evenly distributed over the disturbed areas.

LEII requests the BLM to recommend a seed mix for this altitude which will be used on all new disturbed areas.

### **After the Last Well on the Location is Abandoned, Laramie Will:**

Ensure the well site, roads or other disturbed areas will be restored to near their original condition. This procedure will include:

1. Ensuring re-vegetation of the disturbed areas to the specifications of the landowner or BLM at the time of abandonment.
2. All disturbed surfaces will be re-contoured to the approximate natural contours and reseeded according to landowner specifications. Reclamation of the well pad and access road will be performed as soon as practical after final abandonment and reseeding operations will be performed in the fall or spring following completion of reclamation operations. During reclamation of the site, fill material will be pushed into cuts and up over the back slope. Topsoil will be distributed evenly over the location and seeded according to the recommended seed mixture.
3. The access road and location shall be ripped or disked prior to seeding. Prior to reclamation of the access road, the landowner will be consulted to determine any road portions that might remain.

### **11. Surface Ownership:**

The surface location is on private lands owned by Laramie Energy II, LLC.

### **12. Other Information**

The Honea 19-05 pad is within the City of Rifles Beaver Creek Municipal Watershed Boundary. LEII applied for and received a municipal watershed permit (No. 04-08) in April 2009 that includes all operations including the Honea 19-05 pad. A copy of the permit and conditions is available upon request.

The Honea 19-05 pad and access road are part of LEII's "Honea-South Leverich Project Area" storm water management plan and permit (CDPHE No. COR-03E311).

Once the well is drilled and completed LEII's "Helmer Gulch and South Leverich" SPCC plan will be amended to include the site as part of the plan.

As part of this proposal, a cultural resource inventory was completed.

There will be no deviation from the proposed drilling and/or work-over program without prior approval from the Authorized Officer. Safe drilling and operating practices will be observed.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

### **13. Lessee's or Operator's Representative and Certification**

A) Representative:	Wayne P. Bankert (Consulting Engineer) Laramie Energy II, LLC 601 28 ¼ Road, Suite D Grand Junction, CO 81506
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<b>DRILLING OPERATIONS</b>	
<b>Drilling Activity</b>	<b>Round-trip Frequency</b>
<b>Drilling Rig Mobilization In</b>	
Drilling Rig Move-In	30 Trips/Pad
Crane	1
Initial Water Hauling	11
<b>For Each Well (18 days per well)</b>	
Rig Crew	2/Day
Mechanics/Welders	4/Week
Drill Bit/ Tool Delivery	6/biweekly
Supplies	4/Week
Surface Casing	2 Trip
Production Casing	1 Trip
Cement and Cementers (for Surf. and Prod.)	8 (2 pump trips, 4 cement trucks, 2 cementer P/U)
Water Trucks for Cement	4 Trips
Water Trucks for Replenishing Drilling Water	4-6 per week
Wireline Truck	2 Trips (Wireline Truck and Support Vehicle)
Fuel Trucks	1-2 Trips/Week
Trash Pickup	1/Week
<b>Drilling Rig Mobilization Out to Next Pad</b>	
Drilling Rig Move-Out	30 Trips/Pad
Crane	1

<b>COMPLETION OPERATIONS</b>	
<b>Completion Activity</b>	<b>Round-trip Frequency</b>
<b>Mobilization In</b>	
Frac-Tanks	80 Trips
Initial Load Water	150 Trips
Mountain Mover	2 Trip
Frac-Pumps and Equipment	15 Trips
Pulling Unit	1 Trip
<b>For Each Well (30 days per well)</b>	
Sand Truck	6 Trips
Crew Truck -Consultant	4 Day
Wireline Unit	4 Trips
Tubing Delivery	2 Trips
Re-load Frac Tanks	150 trips
<b>Mobilization Out</b>	
Frac-Tanks	80 Trips
Mountain Mover	2 Trip
Frac-Pumps	15 Trips
Pulling Unit	1 Trip

(970) 683-5419 Office  
(970) 985-5383 Cell  
(970) 683-5594 Fax

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. The operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

B) Representative Certification:

I hereby certify that I, or persons under my direct supervision, inspected the proposed drill sites and access routes that fall within the constraints of this document; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with the operations proposed herein will be performed by Laramie Energy II, LLC 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.

By: \_\_\_\_\_

Wayne P. Bankert  
Senior Reg. & Env. Coordinator  
Laramie Energy II, LLC

Date: 8/19/2010