



STATE OF
COLORADO

**OIL &
GAS**

CONSERVATION COMMISSION



01232223

#14775
DEPARTMENT OF NATURAL RESOURCES

Bill Ritter, Jr., Governor
1120 Lincoln St., Suite 801
Denver, CO 80203
Phone: (303) 894-2100
FAX: (303) 894-2109
www.oil-gas.state.co.us



March 29, 2007

FIDELITY AND DEPOSIT COMPANY
OF MARYLAND
ATTN: BOND DEPARTMENT
1400 AMERICAN LANE TOWER I
SCHAUMBURG IL 60196-1056

RELEASED

**RE: CEDAR RIDGE LLC - OPERATOR NUMBER 14775
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
E&P WASTE FACILITY BOND NUMBER LPM8838371
IN THE AMOUNT OF \$50,000.00**

Ladies and Gentlemen:

The Colorado Oil And Gas Conservation Commission releases the referenced E&P Waste Facility Bond. Bond is released of any liability as of March 6, 2007. The E&P Facility was never built, and there are no outstanding compliance issues relating to the Commission Rules and Regulations. Enclosed please find the Fidelity and Deposit Company of Maryland E&P Waste Facility Bond Number LPM8838371 in the amount of \$50,000.00.

Should you have any questions please contact Marsha Choury at 303-894-2100 extension 109.

Sincerely,

Brian J. Macke
Director

XC: Operator File (Bond.RIs)

CEDAR RIDGE LLC
ATTN: DIANE TOGSTAD
484 TURNER DR BLDG B STE 3
DURANGO CO 81303

Enclosure



01231830

#14775

FD 3 Rev 6/99

State of Colorado Oil and Gas Conservation Commission



RECEIVED FOR OGCC USE ONLY JUL 10 2006 COGCC Surety Provider No: 709498 OGCC Oper. No: 14775 FATS No: 2006-0106

BOND NO: LPM8838371 This bond is a perpetual instrument which shall remain in force and effect until all obligations have been met and the bond is released by the Colorado Oil and Gas Conservation Commission.

KNOW ALL PERSONS BY THESE PRESENTS, That we, Cedar Ridge, LLC of the County of MOFFAT in the State of Colorado as principals, and Fidelity and Deposit Company of Maryland as surety, authorized to do business in the State of Colorado, are held hereby and firmly bound unto the State of Colorado, in the penal sum of (\$ 50,000.00), Fifty Thousand & No/100 Dollars, lawful money of the United States, for the faithful payment of which we hereby bind ourselves, our heirs, executors, administrators and assigns.

The condition of this obligation is that whereas the above bounden principals propose the following oil and gas operation(s) on lands situated in the State of Colorado.

Table with 3 columns: Type of Bond, Coverage, Location. Includes checkboxes for Plugging, Surface, Seismic, E&P Waste Facility, Downstream Gas Facilities, Blanket, Individual, Plugging 1 well, Surface for 1 well, Irrigated, Non-irrigated, Excess Inactive Wells. Location details include Well Name and Number: Robidoux 23-13 CBM #1, Owner: Albert V. and Evelyn M. Robidoux, Qtr, Sec, Twp, Rng, Meridian: NE 1/4 SW 1/4 Sec 13 T12N R89W, County: Moffat.

NOW, THEREFORE, If the above bounden principals shall comply with all of the provisions of the laws of the State of Colorado and the rules, regulations and requirements of the Oil and Gas Conservation Commission of the State of Colorado, with reference to properly plugging of said well or wells; with reference to land damages and the restoration of the land, as nearly as possible, to its condition at the beginning of the lease; with reference to seismic operations the proper surface restoration and plugging of any shot holes, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

Witness our hands, this 24th day of May, 2006

Principal: Cedar Ridge, LLC Address: 484 Turner Drive, Bldg. B, Suite 3 City: Durango State: CO Zip: 81303 Phone: 970 382-5990 Fax:

Signed: [Signature] Name Printed:

Witness our hands, this 24th day of May, 2006

Surety: Fidelity and Deposit Company of Maryland Address: 1400 American Lane, Tower I City: Schaumburg State: IL Zip: 60196-1056 Phone: 800) 382-2150 Fax:

Signed: [Signature] Name Printed: Jana M. Forrest

Approved: [Signature] Director, Oil and Gas Conservation Commission

Bond Release Approved: [Signature] Director, Oil and Gas Conservation Commission

Dated: 7/18/06

Release Date:

RECEIVED
JUL 10 2006
COGCC

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, corporations of the State of Maryland, by WILLIAM J. MILLS, Vice President, and GREGORY E. MURRAY, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint **W. C. COHEN, JR., Scott T. POST, Richard K. STONE, Bret S. BURTON, Jana M. FORREST, Sandra J. SHRYACK, Tim H. HEFFEL and Erica M. PLUMMER, all of Wichita, Kansas, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed, **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of W. C. COHEN, JR., Scott T. POST, Richard K. STONE, Bret S. BURTON, Jana M. FORREST, Sandra J. SHRYACK, Emily R. TERHUNE, Tim H. HEFFEL, Erica M. PLUMMER, dated November 2, 2004.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seals of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, this 22nd day of June, A.D. 2005.

ATTEST: **FIDELITY AND DEPOSIT COMPANY OF MARYLAND
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY**



Gregory E. Murray

Gregory E. Murray Assistant Secretary

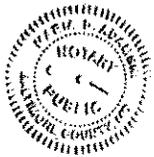
William J. Mills

By: William J. Mills Vice President

State of Maryland }
City of Baltimore } ss:

On this 22nd day of June, A.D. 2005, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came WILLIAM J. MILLS, Vice President, and GREGORY E. MURRAY, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself deposed and saith, that they are the said officers of the Companies aforesaid, and that the seals affixed to the preceding instrument is the Corporate Seals of said Companies, and that the said Corporate Seals and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Maria D. Adamski

Maria D. Adamski Notary Public
My Commission Expires: July 8, 2007

State of Colorado
Oil and Gas Conservation Commission



FOR OGCC USE ONLY
RECEIVED
JUN 28 06
COGCC
Surety Provider No:
OGCC Oper. No: FATS No:

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

PERFORMANCE BOND

BOND NO: LPM8838371. This bond is a perpetual instrument which shall remain in force and effect until all obligations have been met and the bond is released by the Colorado Oil and Gas Conservation Commission.

KNOW ALL PERSONS BY THESE PRESENTS, That we, Cedar Ridge, LLC of the County of MOFFAT, in the State of Colorado as principals, and Fidelity and Deposit Company of Maryland as surety, authorized to do business in the State of Colorado, are held hereby and firmly bound unto the State of Colorado, in the penal sum of (\$ 50,000.00 Fifty Thousand & No/100 Dollars, lawful money of the United States, for the faithful payment of which we hereby bind ourselves, our heirs, executors, administrators and assigns.

The condition of this obligation is that whereas the above bounden principals propose the following oil and gas operation(s) on lands situated in the State of Colorado.

Type of Bond	Coverage	Location
<input type="checkbox"/> Plugging	<input checked="" type="checkbox"/> Blanket	Complete for Individual Bonds Well Name and Number: <u>Robidoux 23-13 CBM #1</u> Owner of lands where off-site land-treatment facility is located: <u>Albert V. and Evelyn M. Robidoux</u> Qtr, Sec, Twp, Rng, Meridian: <u>NE/4SW/4 Sec 13 T12N R89W</u> County: <u>Moffat</u>
<input type="checkbox"/> Surface	<input type="checkbox"/> Individual	
<input type="checkbox"/> Seismic	<input type="checkbox"/> Plugging 1 well	
<input checked="" type="checkbox"/> E&P Waste Facility	<input type="checkbox"/> Surface for 1 well	
<input type="checkbox"/> Downstream Gas Facilities	<input type="checkbox"/> Irrigated	
	<input type="checkbox"/> Non-irrigated	
	<input type="checkbox"/> Excess Inactive Wells	

NOW, THEREFORE, If the above bounden principals shall comply with all of the provisions of the laws of the State of Colorado and the rules, regulations and requirements of the Oil and Gas Conservation Commission of the State of Colorado, with reference to properly plugging of said well or wells; with reference to land damages and the restoration of the land, as nearly as possible, to its condition at the beginning of the lease; with reference to seismic operations the proper surface restoration and plugging of any shot holes, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

Witness our hands, this 24th day of May, 2006

Principal: Cedar Ridge, LLC
 Address: 484 Turner Drive, Bldg. B, Suite 3
 City: Durango State: CO Zip: 81303
 Phone: 970 382-5990 Fax:

Signed:
 Name Printed: _____

6/30/06 Jerry Hogan - Original

Witness our hands, this 24th day of May, 2006

Surety: Fidelity and Deposit Company of Maryland
 Address: 1400 American Lane, Tower I
 City: Schaumburg State: IL Zip: 60196-1056
 Phone: 800) 382-2150 Fax:

Signed:
 Name Printed: Jana M. Forrest

Approved: _____
 Director, Oil and Gas Conservation Commission

Bond Release Approved: _____
 Director, Oil and Gas Conservation Commission

Dated: _____

Release Date: _____

OK to Rls

Choury, Marsha

From: Ferguson, Randall
Sent: Tuesday, March 06, 2007 12:24 PM
To: Choury, Marsha
Cc: Baldwin, Debbie
Subject: RE: RE: Performance Bond #LPM8838371

Marsha:

Chris Canfield conducted a site inspection of the proposed Centralized E&P Waste Management facility on 1/19/07. His findings were that the facility was never constructed.

Therefore, the surety bond posted by Cedar Ridge LLC may be released.

*Randall H. Ferguson
Environmental Protection Specialist
Colorado Oil & Gas Conservation Commission
(303)894-2100 x118*

From: Choury, Marsha
Sent: Wednesday, February 28, 2007 1:35 PM
To: Ferguson, Randall
Cc: 'Diane Togstad'
Subject: RE: Performance Bond #LPM8838371
Importance: High

Hi Randall,

Has Environmental and Engineering Staff resolved all non-compliance issues regarding the release of the E&P Waste Facility Bond for Cedar Ridge LLC?

An immediate email reply would be greatly appreciated. Thanks.

Marsha-

MARSHA L CHOURY
BOND ADMINISTRATOR
OIL & GAS CONSERVATION COMMISSION
120 LINCOLN ST STE 801
DENVER CO 80203
TEL. 303-894-2100 EXT. 109
FAX 303-894-2109
marsha.choury@state.co.us
www.oil-gas.state.co.us

From: Diane Togstad [<mailto:dtogstad@cedarridgellc.com>]
Sent: Tuesday, February 27, 2007 1:26 PM
To: Choury, Marsha
Subject: FW: Performance Bond #LPM8838371

Hi Marsha,

3/7/2007

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From: Choury, Marsha [mailto:Marsha.Choury@state.co.us]
Sent: Wednesday, February 28, 2007 1:35 PM
To: Ferguson, Randall
Cc: Diane Togstad
Subject: RE: Performance Bond #LPM8838371
Importance: High

Hi Randall,

Has Environmental and Engineering Staff resolved all non-compliance issues regarding the release of the E&P Waste Facility Bond for Cedar Ridge LLC?

An immediate email reply would be greatly appreciated. Thanks.

Marsha-

MARSHA L CHOURY
BOND ADMINISTRATOR
OIL & GAS CONSERVATION COMMISSION
1120 LINCOLN ST STE 801
DENVER CO 80203
TEL. 303-894-2100 EXT. 109
FAX 303-894-2109
marsha.choury@state.co.us
www.oil-gas.state.co.us

From: Diane Togstad [mailto:dtogstad@cedarridgellc.com]
Sent: Tuesday, February 27, 2007 1:26 PM
To: Choury, Marsha
Subject: FW: Performance Bond #LPM8838371

Hi Marsha,

I haven't seen or heard anything about the release of this bond. Could you update me, please?

Thank you,

Diane

Diane K. Togstad
CEDAR RIDGE LLC
Ph: (970) 382-5990
Fax: (970) 382-9820

03/19/2007

CONFIDENTIALITY NOTICE: This E-Mail is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential, or otherwise protected from disclosure. Dissemination, distribution or copying of the E-Mail or the information herein by anyone other than the intended recipient, or an employee or agent responsible for delivering the message to the intended recipient, is prohibited. If you have received this E-Mail in error, please advise the sender by E-Mail at dtogstad@cedarridgelle.com and delete the E-Mail from your server or computer.

From: Choury, Marsha [mailto:Marsha.Choury@state.co.us]
Sent: Friday, January 12, 2007 12:18 PM
To: Diane Togstad
Subject: RE: Performance Bond #LPM8838371

Hi Diane,

I will give COGCC Staff ten day notification that the E&P Waste Facility Bond will be released per your email of January 11, 2007. If everything goes rights I will proceed to release the E&P Waste Facility Bond. Should there be any negative feed back I will contact you.

Marsha-

From: Diane Togstad [mailto:dtogstad@cedarridgelle.com]
Sent: Thursday, January 11, 2007 7:57 AM
To: Choury, Marsha
Subject: RE: Performance Bond #LPM8838371

Hi Marsha,

I have learned that there is a water transfer station located at the Robidoux 23-13 CBM # 1 site but that the E&P Waste Facility was never constructed.

Thought I would pass that information on.

Diane K. Togstad
CEDAR RIDGE LLC
Ph: (970) 382-5990
Fax: (970) 382-9820

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From: Choury, Marsha [mailto:Marsha.Choury@state.co.us]
Sent: Monday, January 08, 2007 10:40 AM
To: Diane Togstad
Cc: Ferguson, Randall
Subject: RE: Performance Bond #LPM8838371
Importance: High

03/19/2007

Hi Randall,

I checked several Operators to make sure they had Bonds for their E&P Waste Facilities, and returned the list to you without keeping a copy for the Bond Section. I believe the Robidoux 23-13 CBM #1 E&P Waste Facility was on that list. Will you check your list for me and let us know if it is okay to release this E&P Waste Facility Bond?

Thanks!

Marsha-

From: Diane Togstad [mailto:dtogstad@cedarridgellc.com]

Sent: Thursday, December 21, 2006 8:29 AM

To: Choury, Marsha

Subject: Performance Bond #LPM8838371

Marsha,

Cedar Ridge LLC needs to have Performance Bond #LPM8838371 release. It was issued for an E&P Waste Facility which was never constructed.

We have sold all interest in the project.

What steps do I need to take to have this Bond released? Please advise.

Thank you,

Diane K. Togstad
CEDAR RIDGE LLC
Ph: (970) 382-5990
Fax: (970) 382-9820

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--
No virus found in this incoming message.
Checked by AVG.
Version: 7.5.447 / Virus Database: 268.18.4/703 - Release Date: 2/26/2007 2:56 PM

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No virus found in this outgoing message.
Checked by AVG.
Version: 7.5.447 / Virus Database: 268.18.4/703 - Release Date: 2/26/2007 2:56 PM

03/19/2007

Choury, Marsha

From: Krabacher, Jay
Sent: Thursday, January 18, 2007 11:53 AM
To: Adkins, Jaime
Cc: Chesson, Robert; Choury, Marsha
Subject: Cedaredge E&P Centralized Waste Mgmt Facil. Bond release

By now you've gotten a few emails, from Bob and forwarded by Bob, regarding the Robidoux 23-13 location.

Late last week, Bob recommended that such facilities still have a field inspection prior to bond release, if I understood his email correctly. Such a recommendation was concurred to by Thom Kerr.

Now, the possibility of an alleged dead duck in the vicinity seems to complicate the bond release question further. I'm not sure if the location is near the R 23-13 or at another Cedaredge location.

However, as per your request for me to research this further, I was going to say that there was no "centralized E&P waste management facility" as of last April, and that if the bond specific to that was under consideration, that such a bond be released. I am presuming that another, general reclamation bond is still outstanding and valid for this well and others in the vicinity.

Jay

1/19/2007 Per Jubal Perry - New Frontier Energy, Inc. will be constructing E+P waste facility. Will submit \$50,000 E+P Bond as soon as possible.
mbe

1/22/2007

Choury, Marsha

From: Adkins, Jaime
Sent: Tuesday, January 16, 2007 4:46 PM
To: Krabacher, Jay; Dillon, David
Cc: Choury, Marsha; Baldwin, Debbie
Subject: RE: BOND RELEASE

Jay,

I think this kind of bond is intended for facilities like those described in Rule 908. We will have to look at what was submitted with the bond and compare it to what they actually built and get Dave's and Debbie's blessing that it is indeed covered by Rule 908 and that the bond should be retained. Please look into this and coordinate with them.

Thanks for clearing that up! Jaime

Jaime Adkins
Northwest Area Engineer
Colorado Oil & Gas Conservation Commission
53 Promontory Place
Battlement Mesa, Colorado 81635
970-285-9000 Home Office
970-285-7589 Fax
970-250-2440 Cell

-----Original Message-----

From: Krabacher, Jay
Sent: Tuesday, January 16, 2007 4:29 PM
To: Adkins, Jaime; Dillon, David
Cc: Choury, Marsha
Subject: RE: BOND RELEASE

Jaime wrote to Dave:

I do not believe a centralized waste management facility was ever built. They do have some typical UIC site facilities. I do not think that is what was intended on the bond but we could assert the bond is needed to cover that because I doubt the plugging surety is sufficient to cover the liability. Jay makes note of them to Marsha under a separate e-mail. Let me know what you think.

Jay: there is a centralized facility in Section 26 (not 13) with another UIC well. However, their section 13 wells, as noted in my email you mentioned to Marsha, have reasons for (environmental/reclamation) concern.

Choury, Marsha

From: Krabacher, Jay
Sent: Tuesday, January 16, 2007 4:29 PM
To: Adkins, Jaime; Dillon, David
Cc: Choury, Marsha
Subject: RE: BOND RELEASE

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Jay: there is a centralized facility in Section 26 (not 13) with another UIC well. However, their section 13 wells, as noted in my email you mentioned to Marsha, have reasons for (environmental/reclamation) concern.

Choury, Marsha

From: Adkins, Jaime
Sent: Tuesday, January 16, 2007 4:19 PM
To: Dillon, David
Cc: Choury, Marsha; Krabacher, Jay
Subject: RE: BOND RELEASE

Dave,

I do not believe a centralized waste management facility was ever built. They do have some typical UIC site facilities. I do not think that is what was intended on the bond but we could assert the bond is needed to cover that because I doubt the plugging surety is sufficient to cover the liability. Jay makes note of them to Marsha under a separate e-mail. Let me know what you think.

Thanks! Jaime

Jaime Adkins
Northwest Area Engineer
Colorado Oil & Gas Conservation Commission
53 Promontory Place
Battlement Mesa, Colorado 81635
970-285-9000 Home Office
970-285-7589 Fax
970-250-2440 Cell

-----Original Message-----

From: Dillon, David
Sent: Tuesday, January 16, 2007 4:00 PM
To: Adkins, Jaime
Subject: RE: BOND RELEASE

Your right Jaime. Do you know if the centralized waste facility was ever built?

Sincerely,

David K. Dillon
Engineering Manager
.....Colorado Oil and Gas Conservation Commission 303-894-2100 x 104.....

-----Original Message-----

From: Adkins, Jaime
Sent: Tuesday, January 16, 2007 1:47 PM
To: Dillon, David
Subject: RE: BOND RELEASE

Dave,

The well is there but it was my understanding that this was a facilities bond. Is Marsha wanting to release the plugging surety too? That was not

mentioned.

Thanks! Jaime

Jaime Adkins
Northwest Area Engineer
Colorado Oil & Gas Conservation Commission
53 Promontory Place
Battlement Mesa, Colorado 81635
970-285-9000 Home Office
970-285-7589 Fax
970-250-2440 Cell

-----Original Message-----

From: Dillon, David
Sent: Tuesday, January 16, 2007 12:52 PM
To: Adkins, Jaime
Subject: RE: BOND RELEASE

Jaime,

The Robidoux well is in your area. The well shows as SI. Can you check to see if there are any problems with this bond release?

Dave

From: Choury, Marsha
Sent: Friday, January 12, 2007 1:32 PM
To: /o=NatureNet/ou=First Administrative Group/cn=Recipients/cn=schnitzp;
Angie Gipson; Axelson, John; Brian Macke; Canfield, Chris; Carver, Franki;
.....Cindy Scott; Curran, Nick; Darla Geimausaddle; Dave Dillon; Dave Shelton;
David Andrews; Debbie Baldwin; Dennis Ahlstrand; Dixon, Jan; Ed Binkley;
Fischer, Alex; Gintautas, Peter; Graham, Dave; Ikenouye, Teri; Jaime
Adkins; James Milne; James Precup; Jan Missey; Jane Stanczyk; Jay
Krabacher; Jeff Glossa; John Duran; Ken Robertson; Kevin Lively; Koehler,
Bob; Leonard, Mike; Luz Sevall; Marc Fine; Margaret Ash; Margaret Humecki;
Mark Weems; Marsha Greenstein; Martha Ramos; Nagel, Mike; Randall Ferguson;
Rivera, Enrique; Robert Chesson; Ruth Van Buskirk; Spray, Karen; Steven
Lindblom; susan Mayer; Thom Kerr; Tricia Beaver; Walker, valerie; Wendy
Schultz
Subject: BOND RELEASE

Good Afternoon,

The Blanket E & P Waste Facility Bond for Cedar Ridge, LLC, Operator Number 14775 will be released on or about January 25, 2007. Diane Togstad (dtogstad@cedarridgellc.com) states that there is a water transfer station located at the Robidoux 23-13 CBM #1 site but that the E&P Waste Facility was never constructed, and therefore has requested the bond be released.

Should you have an issue with either of the Bond Releases notify me with the details by email. Email me again when the issue has been resolved, and the bond release is approved.

Thanks!

Marsha-

Choury, Marsha

From: Chesson, Robert
Sent: Monday, January 15, 2007 11:58 AM
To: Kerr, Thom; Choury, Marsha
Subject: FW: Robidoux 23-13 CBM #1 - Centralized E&P Waste Handling Facility

From: Terry L. Logan [mailto:tlogan@cedarridgellc.com]
Sent: Monday, January 15, 2007 9:34 AM
To: Chesson, Robert
Cc: Diane Togstad; JoDell Mizoue
Subject: RE: Robidoux 23-13 CBM #1 - Centralized E&P Waste Handling Facility

Bob,

I will call you to discuss.....The "Facility" #268123, which is actually and Earthen Pit, was never constructed. The application for the waste water facility was for an Earthen Pit to be used in conjunction with an approved water disposal permit that had been received from the Colorado Department of Health. The surface discharge design included a settling pond (earthen pit) for the produced water prior to surface discharge. Cedar Ridge was required to post the \$50,000 Centralized E&P Waste Handling Facility bond for the Earthen Pit construction prior to approval of our application for the Earthen Pit by the COGCC. The bond was posted and the COGCC approved the Earthen Pit Application on 6/2/2003. However, the earthen pit was never constructed because further investigation into the cost to treat the water for surface discharge showed the treatment costs to be prohibitive. Cedar Ridge re-injects all of the produced water in the approved COGCC water disposal well Moffat 26-12-89 #1 SWD.

Part of the confusion comes from the fact that on this same well location (Robidoux 23-13 CBM #1) booster pumps with water tanks are installed that are used pump water around the field via underground steel water pipelines.

Cedar Ridge has sold the property to New Frontier effective November 1, 2006 and therefore is seeking to get this bond released because the Earthen Pit for which the bond was required, was never constructed.

I hope this is helpful and please don't hesitate to call if you have any questions or need any additional information...

Terry

Terry L. Logan
Cedar Ridge LLC
484 Turner Drive Building B, Suite 3
Durango, Colorado 81303
970-382-5990
970-382-9820 (FAX)
tlogan@cedarridgellc.com

From: Chesson, Robert [mailto:Robert.Chesson@state.co.us]
Sent: Friday, January 12, 2007 2:52 PM

1/16/2007

To: TLOGAN@CEDARRIDGELL.COM

Subject: Robidoux 23-13 CBM #1 - Centralized E&P Waste Handling Facility

Hi Terry

It seems that there is some confusion regarding the facility that CR permitted with us last fall. CR had the facility permitted but the buyer (?) seems to believe that the facility was never constructed. Was the facility ever constructed? Does it still exist?

Thanks in advance.

P.S. I am also sending you a voice mail regarding this site.

Bob Chesson
COGCC
303-894-2100 x112

--
No virus found in this incoming message.

Checked by AVG.

Version: 7.5.433 / Virus Database: 268.16.10/625 - Release Date: 1/13/2007 5:40 PM

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No virus found in this outgoing message.

Checked by AVG.

Version: 7.5.433 / Virus Database: 268.16.12/628 - Release Date: 1/15/2007 11:04 AM

1/16/2007

Choury, Marsha

From: Choury, Marsha
Sent: Tuesday, January 16, 2007 3:11 PM
To: Krabacher, Jay
Subject: RE: BOND RELEASE

Tracking: Recipient Delivery
Krabacher, Jay Delivered: 1/16/2007 3:11 PM

Hi Jay,

No, this is not the main Bond release. Bond section is looking to release the E&P Waste Facility Bond at the Robidoux 23-13 CBM #1. Thanks for your help!
Marsha-

From: Krabacher, Jay
Sent: Tuesday, January 16, 2007 9:43 AM
To: Choury, Marsha
Subject: RE: BOND RELEASE

Marsha wrote:

The Blanket E & P Waste Facility Bond for **Cedar Ridge, LLC, Operator Number 14775** will be released on or about January 25, 2007.

... that there is a water transfer station located at the Robidoux 23-13 CBM #1 site but that the E&P Waste Facility was never constructed, and therefore has requested the bond be released.

Jay: this isn't the "main" bond release for this operator, is it? Because I go up to their (two, I think) UIC (disposal wells) every year and have some minor issues (inadequate BMPs, sloppy housekeeping, and I'll have to check the Robidoux 23-13 later today). Give me a couple days to further investigate Cedar Ridge.

Choury, Marsha

From: Dillon,David
Sent: Friday, January 12, 2007 3:21 PM
To: Choury, Marsha
Subject: RE: BOND RELEASE

Marsha,

Please hold this bond release for a few days. I called John Duran to talk with him about the water transfer station and it may take a few days for him to get back to me.

Thanks,

David K. Dillon
Engineering Manager
Colorado Oil and Gas Conservation Commission
303-894-2100 x 104

From: Choury, Marsha
Sent: Friday, January 12, 2007 1:32 PM
To: /o=NatureNet/ou=First Administrative Group/cn=Recipients/cn=schnitzp; Angie Gipson; Axelson, John; Brian Macke; Canfield, Chris; Carver, Franki; Cindy Scott; Curran, Nick; Darla Geimausaddle; Dave Dillon; Dave Shelton; David Andrews; Debbie Baldwin; Dennis Ahlstrand; Dixon, Jan; Ed Binkley; Fischer, Alex; Gintautas, Peter; Graham, Dave; Ikenouye, Teri; Jaime Adkins; James Milne; James Precup; Jan Missey; Jane Stanczyk; Jay Krabacher; Jeff Glossa; John Duran; Ken Robertson; Kevin Lively; Koehler, Bob; Leonard, Mike; Luz Sevall; Marc Fine; Margaret Ash; Margaret Humecki; Mark Weems; Marsha Greenstein; Martha Ramos; Nagel, Mike; Randall Ferguson; Rivera, Enrique; Robert Chesson; Ruth Van Buskirk; Spray, Karen; Steven Lindblom; susan Mayer; Thom Kerr; Tricia Beaver; Walker, valerie; Wendy Schultz
Subject: BOND RELEASE

Good Afternoon,

The Blanket E & P Waste Facility Bond for **Cedar Ridge, LLC, Operator Number 14775** will be released on or about January 25, 2007. Diane Togstad (dtogstad@cedarridgellc.com) states that there is a water transfer station located at the Robidoux 23-13 CBM #1 site but that the E&P Waste Facility was never constructed, and therefore has requested the bond be released.

Should you have an issue with either of the Bond Releases notify me with the details by email. Email me again when the issue has been resolved, and the bond release is approved.

Thanks!
Marsha-

Choury, Marsha

From: Chesson, Robert
Sent: Friday, January 12, 2007 3:05 PM
To: Choury, Marsha
Subject: FW: Robidoux 23-13 CBM #1 - Centralized E&P Waste Handling Facility

From: Chesson, Robert
Sent: Friday, January 12, 2007 2:52 PM
To: 'TLOGAN@CEDARRIDGELL.COM'
Subject: Robidoux 23-13 CBM #1 - Centralized E&P Waste Handling Facility

Hi Terry

It seems that there is some confusion regarding the facility that CR permitted with us last fall. CR had the facility permitted but the buyer (?) seems to believe that the facility was never constructed. Was the facility ever constructed? Does it still exist?

Thanks in advance.

P.S. I am also sending you a voice mail regarding this site.

Bob Chesson
COGCC
303-894-2100 x112

1/12/2007

Choury, Marsha

From: Chesson, Robert
Sent: Friday, January 12, 2007 3:59 PM
To: Choury, Marsha
Cc: Ferguson, Randall; Kerr, Thom
Subject: Blanket E & P Waste Facility Bond for Cedar Ridge, LLC, Operator Number 14775

Marsha:

Regardless of the status of the facility (never constructed, constructed but not used, or constructed and in use) the COGCC staff would have to perform a bond release inspection prior to release of the bond unless the new owner was posting a like bond on the facility. Given the time of year and location of the facility (winter and in an area that has significant snow cover) and the large number of bond release inspections pending for the inspection staff, I wouldn't expect an inspection until sometime later in 2007 (most likely sometime in late spring/early summer) after the majority of the snow cover would be melted.

Bob Chesson

Chesson, Robert
Van Buskirk, Ruth
Lindblom, Steven
Mayer, susan
Kerr, Thom
Beaver, Tricia
Schultz, Wendy

Delivered: 1/12/2007 1:32 PM
Delivered: 1/12/2007 1:32 PM

Good Afternoon,

The Blanket E & P Waste Facility Bond for **Cedar Ridge, LLC, Operator Number 14775** will be released on or about January 25, 2007. Diane Togstad (dtogstad@cedarridgellc.com) states that there is a water transfer station located at the Robidoux 23-13 CBM #1 site but that the E&P Waste Facility was never constructed, and therefore has requested the bond be released.

Should you have an issue with either of the Bond Releases notify me with the details by email. Email me again when the issue has been resolved, and the bond release is approved.

Thanks!
Marsha-

1/12/2007 Per Bob Chesson - do not rels
E+P Waste Facility Bond w/o new Bond
from New Frontier Energy, Inc.

Choury, Marsha

From: System Administrator
To: Ikenouye, Teri; Gipson, Angie; Axelson, John; Macke, Brian; Canfield, Chris; Carver, Franki; Scott, Cindy; Curran, Nick; Geimausaddle, Darla; Dillon, David; Shelton, David; Andrews, David; Baldwin, Debbie; Ahlstrand, Dennis; Dixon, Jan; Binkley, Ed; Fischer, Alex; Gintautas, Peter; Graham, Dave; Adkins, Jaime; Milne, James; Precup, James; Missey, Jan; Stanczyk, Jane; Krabacher, Jay; Glossa, Jeff; Duran, John; Robertson, Ken; Lively, Kevin; Koehler, Bob; Leonard, Mike; Sevall, Luz; Fine, Marc; Ash, Margaret; Humecki, Margaret; Weems, Mark; Greenstein, Marsha; Ramos, Martha; Nagel, Mike; Ferguson, Randall; Rivera, Enrique; Chesson, Robert; Van Buskirk, Ruth; Spray, Karen; Lindblom, Steven; Mayer, susan; Kerr, Thom; Beaver, Tricia; Walker, valerie; Schultz, Wendy
Sent: Friday, January 12, 2007 1:32 PM
Subject: Delivered: BOND RELEASE

Your message

To: /o=NatureNet/ou=First Administrative Group/cn=Recipients/cn=schnitzp; Gipson, Angie; Axelson, John; Macke, Brian; Canfield, Chris; Carver, Franki; Scott, Cindy; Curran, Nick; Geimausaddle, Darla; Dillon, David; Shelton, David; Andrews, David; Baldwin, Debbie; Ahlstrand, Dennis; Dixon, Jan; Binkley, Ed; Fischer, Alex; Gintautas, Peter; Graham, Dave; Ikenouye, Teri; Adkins, Jaime; Milne, James; Precup, James; Missey, Jan; Stanczyk, Jane; Krabacher, Jay; Glossa, Jeff; Duran, John; Robertson, Ken; Lively, Kevin; Koehler, Bob; Leonard, Mike; Sevall, Luz; Fine, Marc; Ash, Margaret; Humecki, Margaret; Weems, Mark; Greenstein, Marsha; Ramos, Martha; Nagel, Mike; Ferguson, Randall; Rivera, Enrique; Chesson, Robert; Van Buskirk, Ruth; Spray, Karen; Lindblom, Steven; Mayer, susan; Kerr, Thom; Beaver, Tricia; Walker, valerie; Schultz, Wendy
Subject: BOND RELEASE
Sent: 1/12/2007 1:32 PM

was delivered to the following recipient(s):

Ikenouye, Teri on 1/12/2007 1:32 PM
Gipson, Angie on 1/12/2007 1:32 PM
Axelson, John on 1/12/2007 1:32 PM
Macke, Brian on 1/12/2007 1:32 PM
Canfield, Chris on 1/12/2007 1:32 PM
Carver, Franki on 1/12/2007 1:32 PM
Scott, Cindy on 1/12/2007 1:32 PM
Curran, Nick on 1/12/2007 1:32 PM
Geimausaddle, Darla on 1/12/2007 1:32 PM
Dillon, David on 1/12/2007 1:32 PM
Shelton, David on 1/12/2007 1:32 PM
Andrews, David on 1/12/2007 1:32 PM
Baldwin, Debbie on 1/12/2007 1:32 PM
Ahlstrand, Dennis on 1/12/2007 1:32 PM
Dixon, Jan on 1/12/2007 1:32 PM
Binkley, Ed on 1/12/2007 1:32 PM
Fischer, Alex on 1/12/2007 1:32 PM
Gintautas, Peter on 1/12/2007 1:32 PM
Graham, Dave on 1/12/2007 1:32 PM
Adkins, Jaime on 1/12/2007 1:32 PM
Milne, James on 1/12/2007 1:32 PM
Precup, James on 1/12/2007 1:32 PM
Missey, Jan on 1/12/2007 1:32 PM
Stanczyk, Jane on 1/12/2007 1:32 PM
Krabacher, Jay on 1/12/2007 1:32 PM
Glossa, Jeff on 1/12/2007 1:32 PM
Duran, John on 1/12/2007 1:32 PM
Robertson, Ken on 1/12/2007 1:32 PM
Lively, Kevin on 1/12/2007 1:32 PM
Koehler, Bob on 1/12/2007 1:32 PM
Leonard, Mike on 1/12/2007 1:32 PM
Sevall, Luz on 1/12/2007 1:32 PM
Fine, Marc on 1/12/2007 1:32 PM
Ash, Margaret on 1/12/2007 1:32 PM
Humecki, Margaret on 1/12/2007 1:32 PM
Weems, Mark on 1/12/2007 1:32 PM
Greenstein, Marsha on 1/12/2007 1:32 PM
Ramos, Martha on 1/12/2007 1:32 PM
Nagel, Mike on 1/12/2007 1:32 PM

Ferguson, Randall on 1/12/2007 1:32 PM
Rivera, Enrique on 1/12/2007 1:32 PM
Chesson, Robert on 1/12/2007 1:32 PM
Van Buskirk, Ruth on 1/12/2007 1:32 PM
Spray, Karen on 1/12/2007 1:32 PM
Lindblom, Steven on 1/12/2007 1:32 PM
Mayer, susan on 1/12/2007 1:32 PM
Kerr, Thom on 1/12/2007 1:32 PM
Beaver, Tricia on 1/12/2007 1:32 PM
Walker, valerie on 1/12/2007 1:32 PM
Schultz, Wendy on 1/12/2007 1:32 PM

Choury, Marsha

From: Diane Togstad [dtogstad@cedarridgellc.com]
Sent: Thursday, January 11, 2007 7:57 AM
To: Choury, Marsha
Subject: RE: Performance Bond #LPM8838371
Attachments: "AVG certification"

Hi Marsha,

I have learned that there is a water transfer station located at the Robidoux 23-13 CBM #1 site but that the E&P Waste Facility was never constructed.

Thought I would pass that information on.

Diane K. Togstad
CEDAR RIDGE LLC
Ph: (970) 382-5990
Fax: (970) 382-9820

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From: Choury, Marsha [mailto:Marsha.Choury@state.co.us]
Sent: Monday, January 08, 2007 10:40 AM
To: Diane Togstad
Cc: Ferguson, Randall
Subject: RE: Performance Bond #LPM8838371
Importance: High

Hi Randall,

I checked several Operators to make sure they had Bonds for their E&P Waste Facilities, and returned the list to you without keeping a copy for the Bond Section. I believe the Robidoux 23-13 CBM #1 E&P Waste Facility was on that list. Will you check your list for me and let us know if it is okay to release this E&P Waste Facility Bond?

Thanks!

Marsha-

From: Diane Togstad [mailto:dtogstad@cedarridgellc.com]
Sent: Thursday, December 21, 2006 8:29 AM
To: Choury, Marsha
Subject: Performance Bond #LPM8838371

1/12/2007

Marsha,

Cedar Ridge LLC needs to have Performance Bond #LPM8838371 release. It was issued for an E&P Waste Facility which was never constructed.

We have sold all interest in the project.

What steps do I need to take to have this Bond released? Please advise.

Thank you,

Diane K. Togstad
CEDAR RIDGE LLC
Ph: (970) 382-5990
Fax: (970) 382-9820

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1/12/2007

Choury, Marsha

From: Choury, Marsha
Sent: Monday, January 08, 2007 10:40 AM
To: 'Diane Togstad'
Cc: Ferguson, Randall
Subject: RE: Performance Bond #LPM8838371
Importance: High
Follow Up Flag: Follow up
Flag Status: Red

Tracking: **Recipient** **Delivery**
 'Diane Togstad'
 Ferguson, Randall Delivered: 1/8/2007 10:40 AM

*1/11/2007 Diane Togstad
Cocce cannot re Bond
at this time. Chris Canfield
states E&P Waste Facility
is out there. Said New
Frontier took over operations
told her New Frontier not
in database. She said
she will contact Chris*

Hi Randall,

I checked several Operators to make sure they had Bonds for their E&P Waste Facilities, and returned the list to you without keeping a copy for the Bond Section. I believe the Robidoux 23-13 CBM #1 E&P Waste Facility was on that list. Will you check your list for me and let us know if it is okay to release this E&P Waste Facility Bond?

Thanks!

Marsha-

*Canfield regarding re of
E&P Waste Facility Bond
for Cedar Ridge LLC.*

From: Diane Togstad [mailto:dtogstad@cedarridgellc.com]
Sent: Thursday, December 21, 2006 8:29 AM
To: Choury, Marsha
Subject: Performance Bond #LPM8838371

Marsha,

Cedar Ridge LLC needs to have Performance Bond #LPM8838371 release. It was issued for an E&P Waste Facility which was never constructed.

We have sold all interest in the project.

What steps do I need to take to have this Bond released? Please advise.

Thank you,

*1/10/2007 Per Randall Ferguson - did
not keep list. E&P Waste Facility
not in his area. Area belongs to
Bob Chesson & Chris Canfield.*

Diane K. Togstad
CEDAR RIDGE LLC
Ph: (970) 382-5990
Fax: (970) 382-9820

CONFIDENTIALITY NOTICE: This E-Mail is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential, or otherwise protected from disclosure. Dissemination, distribution or copying of the E-Mail or the information herein by anyone other than the intended recipient, or an

1/11/2007 *1/10/2007 Bob Chesson knows nothing about
the E&P site.*



MOFFAT COUNTY

FORM 28 Rev 8/09

State of Colorado Oil and Gas Conservation Commission



RECEIVED JUN 28 2006 COGCC Surety ID: _____

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

CENTRALIZED E&P WASTE MANAGEMENT FACILITY PERMIT

Submit this Form and accompanying documents for each facility per Rule 908. Financial Assurance in the amount of \$50,000 is required to operate each facility.

OGCC Operator Number: 14775
Name of Operator: Cedar Ridge LLC
Address: 484 Turner Drive, Building B, Suite 3
City: Durango State: CO Zip: 81303
Contact Name and Telephone: Terry L. Logan
No: 970-382-5990
Fax: 970-382-9820
Surface Owner (if different than above): Albert V. and Eveyln M. Robidoux
Address: P.O. Box 159
City: Rawlins State: WY Zip: 82301 Phone: 307-324-3005
Facility Name: Robidoux 23-13 Central Site
Location (QtrQtr, Sec, Twp, Rng, Mer): NESW, Sec 13, T 12N, R 89W
Latitude: 40.992334
Longitude: -107.329457

Complete the Attachment Checklist table with columns for 'OGCC' and 'Operator' and rows for various attachments like Site description, Topographic map, etc.

1. Is the site in a sensitive area? [] Y [x] N
2. What are the average annual precipitation and evaporation rates for the site? Precipitation: 14 inches/year Evaporation: 64 inches/year
3. Has a description of the site's general topography, geology and hydrology been attached? [x] Y [] N
4. Has a description of the adjacent land use been attached? [x] Y [] N
5. Has a 1:24,000 topographic map showing the site location been attached? [x] Y [] N
6. Has a site plan showing drainage patterns, diversion or containment structures, roads, fencing, tanks, pits, buildings and any other pertinent construction details been attached? [x] Y [] N
7. If site is not owned by the operator, is written authorization of the surface owner attached? [x] Y [] N
8. Has a scaled drawing and survey showing the entire section(s) containing the proposed facility been attached? [x] Y [] N
9. What measures have been implemented to limit access to the facility by wildlife, domestic animals or by members of the public? Briefly explain.
The facility is surrounded by a fence and the entrance has a cattle guard.
10. Is there a planned firelane of at least 10 feet in width around the active treatment areas and within the perimeter fence? [x] Y [] N
11. Is there an additional buffer zone of at least 10 feet within the perimeter firelane? [x] Y [] N
12. Have surface water diversion structures been constructed to accommodate a 100-year, 24-hour event? [] Y [x] N
13. Has a waste profile been calculated according to Rule 908.b.6? [] Y [x] N
14. Has facility design and engineering been provided as required by Rule 908.b.7? [x] Y [] N
15. Has an operating plan been completed as required by Rule 908.b.8? [x] Y [] N
16. Has ground water monitoring for the site been provided? [] Y [x] N
17. Has financial assurance been provided as required by Rule 704? [x] Y [] N
18. Has a closure plan been provided? [] Y [x] N
19. Have local government requirements for zoning and construction been complied with? [x] Y [] N
20. Have permits and notifications required by local governments and other agencies been provided? [x] Y [] N

Print Name: Terry L. Logan
Signed: [Signature] Title: Manager Date: 6/22/06
OGCC Approved: [Signature] Title: EPS Date: 6/29/06