

FORM
2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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Document Number:

400175002

PluggingBond SuretyID

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

3. Name of Operator: FOUNDATION ENERGY MANAGEMENT LLC

4. COGCC Operator Number: 10112

5. Address: 14800 LANDMARK BLVD STE #220

City: DALLAS State: TX Zip: 75254

6. Contact Name: Lisa Smith Phone: (303)8579999 Fax: (303)4509200

Email: lspermitco@aol.com

7. Well Name: Banta Ridge Federal Well Number: 4A-18-1-103

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 4665

WELL LOCATION INFORMATION

10. QtrQtr: Lot 4 Sec: 18 Twp: 1S Rng: 103W Meridian: 6

Latitude: 39.957314 Longitude: -109.005422

Footage at Surface: 1226 feet FSL 633 feet FWL

11. Field Name: Banta Ridge Field Number: 5200

12. Ground Elevation: 6054 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 01/27/2011 PDOP Reading: 1.8 Instrument Operator's Name: Gary Streeter

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
607 FSL 650 FWL 607 FSL 650 FWL
Sec: 18 Twp: 1S Rng: 103 Sec: 18 Twp: 1S Rng: 103
W W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 5280 ft

18. Distance to nearest property line: 633 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 619 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Mancos B	MNCSB			

21. Mineral Ownership: Fee State Federal Indian Lease #: COC56873

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#:

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

See Attached

25. Distance to Nearest Mineral Lease Line: 633 ft 26. Total Acres in Lease: 1597

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	415	100	415	0
1ST	7+7/8	4+1/2	11.6	0	4,665	970	4,665	0

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments 2000 PSI

34. Location ID: 311839

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

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

Signed: _____ Print Name: Lisa Smith

Title: President Date: 6/16/2011 Email: lspermitco@aol.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: David S. Nesline Director of COGCC Date: 10/16/2011

API NUMBER
05 103 11890 00

Permit Number: _____ Expiration Date: 10/15/2013

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.

(3) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(4) THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 -MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.

Attachment Check List

Att Doc Num	Name
2089483	FED. DRILLING PERMIT
2089500	EXCEPTION LOC REQUEST
2089513	WAIVERS
2089514	WAIVERS
400175002	FORM 2 SUBMITTED
400175914	WELL LOCATION PLAT
400175915	DEVIATED DRILLING PLAN
400175916	SURFACE PLAN
400175921	LEGAL/LEASE DESCRIPTION

Total Attach: 9 Files

General Comments

User Group	Comment	Comment Date
Agency	BLM waiver for exception location attached. Exception is for proximity of wells less than 1200 required by Rule 318.	10/16/2011 8:54:16 PM
Permit	No public comments Comprehensive Final Review status -- Passed	10/13/2011 1:09:21 PM
Permit	BLM and Bayless documentation has been attached	10/13/2011 1:08:36 PM
Permit	Attached Foundation exception request Waiting on BLM approval of exception and Bayless exception waiver	9/30/2011 10:51:09 AM
Permit	Attached federal APD	9/2/2011 1:38:00 PM
Permit	Added commingle as no and location id	7/14/2011 2:27:37 PM
Permit	e-mailed operator to submit designated agent form since Lisa Smith is not listed as agent. also line 36 on operator comments is not checked (o & g location assessment). bjw	6/17/2011 9:27:45 AM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)