

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

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



Document Number:

400402032

Date Received:

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

PluggingBond SuretyID

20050066

3. Name of Operator: FOUNDATION ENERGY MANAGEMENT LLC

4. COGCC Operator Number: 10112

5. Address: 16000 DALLAS PARKWAY #875

City: DALLAS State: TX Zip: 75248-6607

6. Contact Name: Matt Stark Phone: (972)977-4692 Fax: (303)861-0604

Email: mstark@foundationenergy.com

7. Well Name: State Well Number: 36-3-9

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

9. Proposed Total Measured Depth: 6808

WELL LOCATION INFORMATION

10. QtrQtr: NE NW Sec: 36 Twp: 6N Rng: 61W Meridian: 6

Latitude: 40.450100 Longitude: -104.156610

Footage at Surface: 792 feet FNL 2496 feet FWL

11. Field Name: GREASEWOOD Field Number: 32300

12. Ground Elevation: 4629 13. County: WELD

14. GPS Data:

Date of Measurement: 03/02/2013 PDOP Reading: 2.1 Instrument Operator's Name: Neal McCormick

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

Footage at Top of Prod Zone: 690 FNL 1943 FWL Bottom Hole: 690 FNL 1943 FWL
Sec: 36 Twp: 6N Rng: 61W Sec: 36 Twp: 6N Rng: 61W

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: 2490 ft

18. Distance to nearest property line: 150 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 814 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| "D" SAND | DSND | | | |

21. Mineral Ownership: Fee State Federal Indian Lease #: 97/5093S

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: 20050067

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):

T6N - R61W - SEC 36: ALL WELD COUNTY

25. Distance to Nearest Mineral Lease Line: 690 ft 26. Total Acres in Lease: 640

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 | 327 | 230 | 327 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 15.5 | 0 | 6,808 | 190 | 6,808 | 5,600 |

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

33. Comments _____

34. Location ID: 330865

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: MATT STARK

Title: drilling engineer Date: _____ Email: mstark@foundationenergy.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: _____ Director of COGCC Date: _____

API NUMBER

05 123 19794 01

Permit Number: _____ Expiration Date: _____

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.

Date retrieval failed for the subreport 'IntPolicy_MTC' located at: W:\Inetpub\Net\Reports\policy_mtc.rdl. Please check th

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|------------------------|
| 400402354 | DIRECTIONAL DATA |
| 400402361 | WELLBORE DIAGRAM |
| 400402363 | DEVIATED DRILLING PLAN |
| 400402366 | PLAT |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
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Total: 0 comment(s)