

Deborah Bracey - DNR

From: Jason Harms <Jason@strachanexploration.com> on behalf of Jason Harms
Sent: Friday, June 30, 2023 7:15 AM
To: Deborah Bracey - DNR; aiiams@foundationenergy.com
Subject: RE: Form 9 Transfer - Foundation Energy Management LLC #403265287 to Strachan Exploration Inc #403417003

Thank you Deb!

We will get Issue 1 and 2 resolved asap.

Regarding the first COA, as the buying operator, this is acceptable.

I'll let Afton respond on Foundation's behalf as the selling operator in regard to the second COA.

Thanks!

Jason Harms
 Strachan Exploration, Inc.
 303-330-1921

From: Deborah Bracey - DNR <deborah.bracey@state.co.us>
Sent: Thursday, June 29, 2023 2:47 PM
To: aiiams@foundationenergy.com; Jason Harms <Jason@strachanexploration.com>
Subject: Form 9 Transfer - Foundation Energy Management LLC #403265287 to Strachan Exploration Inc #403417003

Good afternoon Afton and Jason,

I have reviewed the above captioned transfer and have noted the following issues.

Issue 1: The relevant local governments were not notified and corresponding attestation is missing from the transfer.

Solution 1: Please submit an attestation indicating that both Weld and Logan counties were notified and who was contacted at the respective counties. Please email me the attestation and I will upload it to the form.

Issue 2: The facility (422897) listed as Pipeline and is a OMB Gas Gathering System should be transferred with a Form 12.

Solution 2: Please remove Facility #422897 from the Wells and Facilities Transferred list and resubmit the list by emailing the list to me. I will upload the revised Wells and Facilities Transferred list to the form. Submit a Form 12 in order to transfer the OMB Gas Gathering System. Ellice Devine ellice.devine@state.co.us is your contact for the Form 12.

Assuming the other Form 9 requirements are met, all Form 9s shall now be passed with the following two COAs:

The Buying Operator must file a Form 3, Financial Assurance Plan, within 10 business days of Form 9 approval. Per Rule 702, Buyer will then provide any required additional financial assurance as soon as practicable but no later than 90 days from the Commission's approval of the Form 3, Financial Assurance Plan.