

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

5. Lease Serial No. COC60732	
6. If Indian, Allottee or Tribe Name n/a	
7. If Unit or CA Agreement, Name and No. Ryan Gulch Unit - COC068239X	
8. Lease Name and Well No. Federal RGU 424-23-198	
9. API Well No. pending	
10. Field and Pool, or Exploratory Sulphur Creek	11. Sec., T. R. M. or Blk. and Survey or Area Sec. 23, T1S-R98W, 6th P.M.
12. County or Parish Rio Blanco	13. State CO
14. Distance in miles and direction from nearest town or post office* Approximately 20 miles Southeast of Rangely, Colorado	15. Distance from proposed* location to nearest property or lease line, ft. 9,939' (SHL: Property Line) 1,900' (BHL: Lease Line) (Also to nearest drig. unit line, if any)
16. No. of acres in lease 1205.7	17. Spacing Unit dedicated to this well Unspaced
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 337'	19. Proposed Depth 12,459' MD; 12,370' TVD
20. BLM/BIA Bond No. on file NMB000396	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6543.4' GL
22. Approximate date work will start* 10/15/2010	23. Estimated duration 45-60 days

24. Attachments

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

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| 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 must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) Matt Barber	Date 7-20-2010
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Title Sr. Regulatory Specialist

Approved by (Signature)	Name (Printed/Typed)	Date
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Title	Office
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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.