

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator Fair Oil OGRID # 65531
 Well Name & # FAIR # 2 Surface Type (F) (S) (P) (P)
 Location: UL 24, Sect 24, Township 18 s, RNG 26 e, Sub-surface Type (F) (S) (P) (P)

A. Date C101 rec'd 10/19/2011 C101 reviewed 10/24/2011

B. 1. Check mark, Information is OK on Forms:

OGRID ✓, BONDING ✓, PROP CODE , WELL # , SIGNATURE

2. Inactive Well list as of: 10/24/2011 # wells , # Inactive wells

a. District Grant APD but see number of inactive wells:

No letter required ✓; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 10/24/2011

a. District Denial because operator needs addition bonding:

No Letter required ✓; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required ; Sent Letter to Operator , To Santa Fe

C. C102 YES ✓, NO Signature ✓

1. Pool FAIR, Code 38877

a. Dedicated acreage 40, What Units D

b. SUR. Location Standard ✓: Non-Standard Location

c. Well shares acres: Yes , No ✓, # of wells plus this well #

2. 2nd. Operator in same acreage, Yes ✓, No

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes , No ✓

a. Dedicated acreage , What Units

b. Bottomhole Location Standard , Non-Standard Bottomhole

4. Downhole Commingle: Yes , No

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No

D. Blowout Preventer Yes , No ✓

E. H2S Yes , No

F. C144 Pit Registration Yes , No

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No ✓, NSL #

2. Non-Standard Proration: Yes , No ✓, NSP #

3. Simultaneous Dedication: Yes , No ✓, SD #

Number of wells Plus #

4. Injection order Yes , No ✓; PMX # or WFX #

5. SWD order Yes , NO ✓; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date 10/28/2011

API #30-0 15-39562

8. Reviewers