Application for Permit to Drill Government AB No. 5

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- 6. Proposed total depth is 11,400 feet.
- 7. Estimated tops of important geologic markers.

| Delaware | 2500 ' |
|-------------|---------------|
| Dean | 8439 ' |
| Wolfcamp | 8781' |
| Strawn | 10091' |
| Atoka | 10383' |
| Morrow | 10818' |
| Morrow B | 11022' |
| Morrow A | 11186' |
| Chester | 11300' |
| | |
| Total Depth | 11400' |
| | |

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

| Primary Objective: | Morrow B Morrow A | 11022' 11186' |
|----------------------|-----------------------------|---------------------------|
| Secondary Objective: | Wolfcamp Strawn Atoka | 8781' 10091' 10383' |

9. The proposed casing program is as follows:

Surface: 13-3/8" OD 48# H40 ST&C new casing Intermediate: 8-5/8" OD 24# & 32# K55 ST&C new casing Production: 5-1/2" OD 17# & 20.0# N80 LT&C casing

- 10. Casing setting depth and cementing program:
 - A. 20" OD conductor casing set at 30'.
 - B. 13-3/8" OD surface casing set at 600' in 17-1/2" hole. Circulate cement with 650 sacks Class C with 2% CaCl2. If cement does not circulate, determine the top of cement by temperature survey then finish cementing to the surface through 1" in the annulus using Class "C" with 2% CaCl2.