DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator CDG Operating LLC **OGRID #** 229137

Well Name& # MC Federal #48 **Surface Type** F : S : P

Location A-21-17S-32E **Sub-Surface Type** F : S : P

A. DATE C101 ***rec'd*** 7/24/09 C101 ***reviewed*** 7/29/09

B. Put Check Mark if OK on Form:
OGRID ✓, BONDING ✓, PROP CODE ✓, WELL # ✓,
Signature ✓

Inactive Well list as of: 7/28/09 # well 1475, # inactive wells 3

1. District Grant APD but see number of inactive wells:
NO Letter required ✓; Sent Letter to Operator ___, to Santa Fe_____

Additional Bonding as of: 7/28/09

2. District Denial because operator needs addition bonding:

NO Letter required ✓; Sent Letter to Operator___, To Santa Fe____

3. District Denial because of Inactive Well list and Financial Assurance:

NO Letter required ✓: Sent Letter to Operator___, To Santa Fe____

C. C-102 YES ✓, NO_____, Signature ✓

1. Pool Maljamar Yeso West, code 44500
   a. Dedicated acreage 40, What Units A
   b. SUR. Location Standard_____; Non-Standard Location ✓
2. 2nd Operator in same acreage, Yes_____, No_____
   If Yes, Name of 2nd Oper._____
   Agreement Letter_____, Disagreement letter_____

3. Intent to Directional Drill YES_____, NO ____

a. Dedicated acreage_____, What Units_____

b. Bottomhole Location Standard ____; Non-Standard_____

D. Blowout Preventer YES ✓, NO_____

E. H2S YES ✓, NO_____

F. C-144 Pit Registration YES ✓, NO _____

G. Does APD require:

Non-Standard location approval YES ✓, NO ~~✓~~, ORDER # NSL 6018

Non-Standard proration approval YES_____, NO_____, ORDER #_____

Simultaneous approval (share acreage) YES___, NO____, ORDER #_____

Number of wells 2, Plus # 48

Letter from other Operator YES_____, NO_____, ORDER #_____

Injection order YES_____, NO_____, ORDER #_____

SWD order YES_____, NO____, ORDER #____

H. Holding for:

NSL Approval

I. **Approval Date** 7/28/09 **API #30-0 25- 39482**