

DISTRICT 1 --- CHECKLIST FOR INTENTS TO DRILL

Operator Edge Petroleum Oper Co

OGRID # 224400

Well Name & # SE Lusk 27 Fed #3

Surface Type F : S : P

Location Q-27-195-32e

Sub-Surface Type F : S : P

A. DATE C101 rec'd 7/23/07

C101 reviewed 7/28/09

B. Put Check Mark if OK on Form:

OGRID ☒, BONDING ☒, PROP CODE ☒, WELL # ☒,

Signature ☒

Inactive Well list as of: 7/28/09 # well 41, # inactive wells 1

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 Lusk Bone Spring South, code 41460

a. Dedicated acreage 40, What Units 9

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____

4. POTASH Area YES____, NO ☒

D. Blowout Preventer YES ☒, NO____

E. H2S YES ☒, NO____

F. C-144 Pit Registration YES ☒, NO____

G. Does APD require Santa Fe Approval:

Non-Standard location: YES____, NO ☒, ORDER # NSL-

Non-Standard proration: YES____, NO ☒, ORDER # NSP -

Simultaneous Dedication (share acreage) YES____, NO ☒, ORDER # SD -

Number of wells____, Plus #____

Injection order YES____, NO ☒, ORDER #____

SWD order YES____, NO ☒, ORDER # SWD -

H. Holding for:

I. OCD Approval Date 7/28/09

API #30-025-39483