

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator CDG Operating LLC

OGRID # 229137

Well Name & # BCL Federal #39

Surface Type F: S : P

Location I-20-17s-32e

Sub-Surface Type F: S : P

A. DATE C101 rec'd 8/25/09

C101 reviewed 8/27/09

B. Put Check Mark if OK on Form:

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

Signature ☒

Inactive Well list as of: 8/27/09 # well 1457, # inactive wells 2

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

NO Letter required ☒; Sent Letter to Operator ☐, to Santa Fe ☐

Additional Bonding as of: 8/22/09

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 I

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- 6063

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

Simultaneous Dedication (share acreage) YES ☒, NO_____, ORDER # SD -

Number of wells 4, Plus # 39

Injection order YES_____, NO ☒,

ORDER # PMX - or ORDER # WFX

SWD order YES_____, NO ☒, ORDER # SWD -

H. Holding for:

I. OCD Approval Date 9/14/09

API # 30-025-39515