APPLICATION FOR PERMIT
APPLICATION TO DRILL X

NAME OF COMPANY OR OPERATOR
Ultimate Exploration & Development, LLC

Address 560 E St. George Blvd.  City St. George  State Utah  Phone Number 435-628-1677

Drilling Contractor Black Gold Equipment & Leasing LLC Drilling Division
Address 560 E. St. George Blvd., St. George, Utah 84770

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if free lease, name of lessor: BLM AZA33189

Nearest distance from proposed location to property or lease line:
1768.40 feet

Number of acres in lease 640

Number of wells on lease, including this well, completed in or drilling to this reservoir:
None Wildcat

If lease purchased with one or more wells drilled, from whom purchased:

Well location (will footsteps from section lines):
2020 R FVL & 1769 ft FSL

Field and reservoir (if wildcat, so state) Wildcat

Distance in miles and direction from nearest town or post office:
3 miles SE from Colorado City, Go West 3 miles to Mt. Trumble Rd. Turn S. for 2.8 miles. Turn E on Access Road for 400.

Proposed depth: 6,000

Rotary or cable tools Rotary Mud Approximate date work will start Upon Approval

Bond status: Cash - BLM bond Organization Report Filing Fees of $25.00

Amount $10,000.00 or attached X

Remarks

API # 02-015-20034

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Operating Manager of the Ultimate Exploration & Dev. LLC (comp and that I am authorized by said company to make this report and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

Date 11/07/06

Mail completed form to:
Oil & Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #100
Tucson, AZ 85701

Permit Number: 932
Approval Date: 1-10-06
Approved By: SD Barlow

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter File Two Copies

(Complete Reverse Side)
1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12.7-107.

2. A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.

3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.

4. Is the operator the only owner in the dedicated acreage outlined on the plat below?  YES X  NO __________

5. If the answer to question four is no, have the interests of all owners been consolidated by communitization agreement or otherwise?  YES ______ NO ______ If answer is yes, give type of consolidation .

6. If the answer to question four is no, list all the owners and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>See 35, THIN, R1W, G+SRM</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name: Ken Hamblin  
Position: Surveyor  
Company: Ken Hamblin Land Survey Inc  
Date: Sept 9, 2005

I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: Sept 9, 2005  
Registered Land Surveyor: Ken Hamblin  
435-673-3075  
Certificate No.: 21070

**PROPOSED CASING PROGRAM**

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top Depth</th>
<th>Bottom Depth</th>
<th>Cementing Depths</th>
<th>Sand Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface</td>
<td>24.00</td>
<td>J-55</td>
<td>Surfa</td>
<td>600'</td>
<td>0 - 600'</td>
<td>437</td>
<td>Premium AG</td>
</tr>
<tr>
<td>Production</td>
<td>15.50</td>
<td>J-55</td>
<td>Surfa</td>
<td>6,000'</td>
<td>depending on Production zone</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>