APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☐ RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR

El Paso Natural Gas Company

Address: 2 North Nevada Ave
City: Colorado Springs
State: CO 80903
Phone Number: 719.520.4533

Drilling Contractor

United Drilling Inc
Address: P.O. Box 2488 Roswell, NM 88202

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessee:

Owned by El Paso Natural Gas

Well number: 1-21
Elevation (ground): 1527'

Nearest distance from proposed location to property or lease line:

660' FWL

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:

none

Number of acres in lease:

234

Number of wells on lease, including this well, completed in or drilling to this reservoir:

none

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

N/A

Well location (give footage from section lines):

1980' FNL and 660' FWL

Section - Township - Range or Block and Survey:

27-7S-8E, G&S.R.B.&M.

Dedication per A.A.C. R12-7-104(A)(3):

N/A

Field and reservoir (if wildcat, so state):

Stratigraphic Test

County:

Final

Distance in miles and direction from nearest town or post office:

7 miles north east of Eloy Arizona

Proposed depth:

8,000'

Rotary or cable tools:

Rotary

Organization Report:

On file X Or attached

Filing Fee of $25.00:

X

Remarks:

Stratigraphic test per Arizona Administrative Code, Title 12, Chapter R12-7-128

API #: 02-021-20009

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Manager, Facility Planning of the El Paso Natural Gas Company (company), 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: [Signature]
Date: 2/22/2006

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #100
Tucson, AZ 85701-1316

Permit Number:

933

Approval Date:

3-21-2006

Approved By:

[Signature]

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

Form No. 3

(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 _____ 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. Operator (EPNG) is the owner of 100% of the surface acreage. Ownership of a portion of underlying mineral interests is uncertain. EPNG intends to acquire 100% of the underlying mineral interests.

El Paso Natural Gas Company

G.&S.R.B&M Survey Pinal Co. AZ

CERTIFICATION

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

Name
Greg Gettman
Position
Manager, Facility Planning
Company
El Paso Natural Gas
Date
02/22/2006

I hereby certify that the well location shown on the plat was confirmed by field notes of actual survey made under my supervision and is true and correct to the best of my knowledge and belief.

8118
RONALD J. EIDSON
Registered Land Surveyor
Certificate No. 8118

PROPOSED CASING PROGRAM

<table>
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<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top</th>
<th>Bottom</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
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<td>20&quot;</td>
<td>104#</td>
<td>Grade B</td>
<td>0</td>
<td>120'</td>
<td>120'</td>
<td>145 sacks</td>
<td>Class A</td>
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<tr>
<td>13 3/8&quot;</td>
<td>54.5#</td>
<td>K-55</td>
<td>0</td>
<td>1600'</td>
<td>1600'</td>
<td>885 sacks</td>
<td>Std Lite &amp; Class A</td>
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<tr>
<td>9 5/8&quot;</td>
<td>40#</td>
<td>K-55</td>
<td>0</td>
<td>4500'</td>
<td>4500'</td>
<td>1520 sacks</td>
<td>Std Cement</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>35% salt</td>
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