APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☒
RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
Southwest Exploration Inc

Address
3266 W Galveston Dr #107
City
Apache Jct
State
AZ
Phone Number
480-577-5039

Drilling Contractor
Boart Longyear

Address
12225 W Peoria Ave, El Mirage, AZ 85335

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
ASID Lease # 08-113263

Well number
HB-08-#4

Elevation (ground)
5295'

Nearest distance from proposed location to property or lease line:

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
921, CT-#99
7-6-1965
500' feet

Number of acres in lease
640.0'

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

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

Address

Well location (give footage from section lines)
2556FNL + 1864FEL

Section - Township - Range or Block and Survey
S34 T16N R23E

County
Navajo

Distance in miles and direction from nearest town or post office
AZMUTH 306.0
18.57 Miles to Holbrook

Proposed depth:
1050'

Rotary or cable tools
Rotary & Core

Organization Report
On file

Approximate date work will start
May 2009

Bond status
on file

Amount
$25,000

Filing Fee of $25.00
Attached

Remarks

API # 02-017-20026

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the:

Agent

of the

Southwest Exploration Inc

(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
April 3, 2009

Date

Permit Number:

Application to Drill or Re-enter

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:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NE 1/4 S34 T16N R23E</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: ____________________________

Position: _________________________

Company: _________________________

Date: ____________________________

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: 3-30-2009

Registered Land Surveyor: ____________________________

Certificate No: RLS 22290

**PROPOSED CASING PROGRAM**

<table>
<thead>
<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>
<tr>
<td>6.625”</td>
<td>20.1</td>
<td>PWT</td>
<td>5295’</td>
<td>1050’ (TD)</td>
<td>840’ - 890’</td>
<td>6-9 bags</td>
<td>Prescribed by M&amp;BD Engineer</td>
</tr>
<tr>
<td>4.5”</td>
<td>11.8</td>
<td>HWF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>