

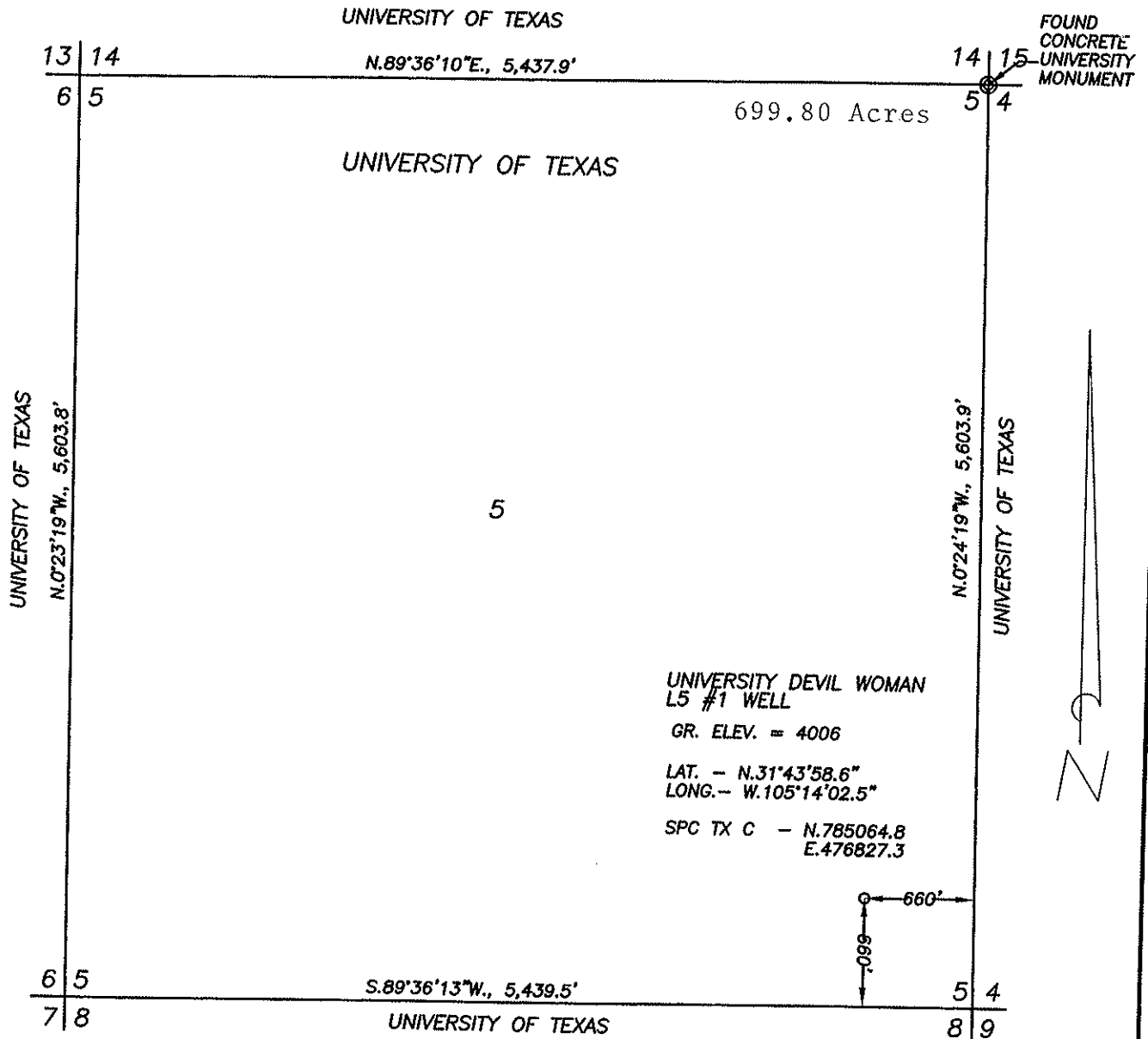
Spud: 11-10-07

Serial #: 38

99870-411

Enter if Assigned: API No.: 42- <u>229-30253</u>		RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION		FORM W-1 EFF 10/04			
Drilling Permit No.: _____				Drilling Permit Fee Based on Depth: 0'-2000' \$200 2001'-4000' \$225 4001'-9000' \$250 >9000'- \$300 Expedited Service Fee ADD \$150 Rule 37/38 Exception Fee ADD \$200			
Rule 37/38 Case No.: _____		APPLICATION FOR PERMIT TO DRILL, RECOMPLETE OR RE-ENTER					
1. RRC Operator No.: 864352		2. Operator Name (as shown on P-5 Organization Report: Trail Mountain, Inc.		3. Operator Address (include street, city, state, zip): 105 South Fourth Street Artesia, NM 88210			
4. Lease Name: University Devil Woman L5		5. Well No.: 1					
GENERAL INFORMATION							
6. Purpose of Filing (Mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)							
7. Wellbore Profile (Mark ALL appropriate boxes): <input checked="" type="checkbox"/> Vertical <input type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack							
8. Total Vertical Depth: 2700		9. Do you have the right to develop minerals under any right of way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No: 08		12. County: Hudspeth		13. Surface Location: <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/estuary <input type="checkbox"/> Inland waterway <input type="checkbox"/> Offshore			
14. This well is to be located <u>8.9</u> miles in a <u>W-SW</u> direction from <u>Salt Flat</u> , which is the nearest town in the county.							
15. Section: 5		16. Block: L		17. Survey: UL			
				18. Abstract No: A-U515			
				19. Distance to nearest lease line: 660			
				20. Number of contiguous acres in lease, pooled unit or unitized tract: 699.80			
21. Lease Perpendiculars: <u>660</u> ft. from the <u>S</u> line and <u>660</u> ft from the <u>E</u> line.							
22. Survey Perpendiculars: <u>660</u> ft from the <u>S</u> line and <u>660</u> ft from the <u>E</u> line.							
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Unitization Docket No: _____		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No			
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line. Attach an additional Form W-1 if you require more space.							
26. RRC District No.	27. Field No:	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Lease & Reservoir	32. No. of Wells on this Lease in this Reservoir
8	00018001	Wildcat		Gas	2700	0.0	0
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS – Attach FORM W-1D/FORM W-1H as appropriate							
Remarks:				CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to the best of my knowledge. Cherie Holtzclaw <u>Cherie Holtzclaw</u> 04/23/07 Name of Representative (Print) Signature Date (mm/dd/yy)			
RRC Use only				432-618-1938 Telephone (AC and number) E-mail Address (OPTIONAL – If provided, e-mail address will become part of this public record.)			

SECTION 5, BLOCK L, UNIVERSITY LAND SURVEY, HUDSPETH COUNTY, TEXAS.



NOTE:

1. BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1927, CENTRAL ZONE, AND DISTANCES ARE OF SURFACE VALUE.
2. THIS LOCATION IS APPROXIMATELY 8.9 MILES WEST-SOUTHWEST OF SALT FLAT, TEXAS.
3. SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THIS SECTION..

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

Gary L. Jones
 GARY L. JONES
 TEXAS REGISTERED SURVEYOR
 No. 5074

GENERAL SURVEYING COMPANY P.O. BOX 1928
 LOVINGTON, NEW MEXICO 88260

1000' 0 1000' 2000'
 Scale 1" = 1000'

TRAIL MOUNTAIN INC.

THE UNIVERSITY DEVIL WOMAN L5 #1 WELL, LOCATED
 660' FROM THE SOUTH LINE AND 660' FROM THE EAST
 LINE OF SECTION 5, BLOCK L, UNIVERSITY LANDS,
 HUDSPETH COUNTY, TEXAS.

Survey Date: 4/05/2007	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 4/09/07	Scale 1" = 1000' DEVIL WOMAN L5 #1

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Sent
11/5/07
CS

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 638277	DATE PERMIT ISSUED OR AMENDED May 11, 2007	DISTRICT * 08															
API NUMBER 42-229-30253	FORM W-1 RECEIVED May 03, 2007	COUNTY HUDSPETH															
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Vertical	ACRES 699.8															
OPERATOR TRAIL MOUNTAIN, INC. 105 SOUTH FOURTH STREET ARTESIA, NM 88210		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581															
LEASE NAME UNIVERSITY DEVIL WOMAN L5		WELL NUMBER 1															
LOCATION 8.9 miles W direction from SALT FLAT		TOTAL DEPTH 2700															
Section, Block and/or Survey SECTION ◀ 5 BLOCK ◀ L ABSTRACT ◀ SURVEY ◀ UL																	
DISTANCE TO SURVEY LINES 660 ft. S 660 ft. E		DISTANCE TO NEAREST LEASE LINE 660 ft.															
DISTANCE TO LEASE LINES 660 ft. S 660 ft. E		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below															
FIELD(s) and LIMITATIONS: <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">FIELD NAME LEASE NAME</th> <th style="text-align: center;">ACRES NEAREST LEASE</th> <th style="text-align: center;">DEPTH</th> <th style="text-align: center;">WELL # NEAREST WELL</th> <th style="text-align: center;">DIST</th> </tr> </thead> <tbody> <tr> <td>WILDCAT</td> <td style="text-align: center;">699.80</td> <td style="text-align: center;">2,700</td> <td style="text-align: center;">1</td> <td style="text-align: center;">08</td> </tr> <tr> <td>UNIVERSITY DEVIL WOMAN L5</td> <td style="text-align: center;">660</td> <td></td> <td style="text-align: center;">0</td> <td></td> </tr> </tbody> </table>			FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WELL	DIST	WILDCAT	699.80	2,700	1	08	UNIVERSITY DEVIL WOMAN L5	660		0	
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WELL	DIST													
WILDCAT	699.80	2,700	1	08													
UNIVERSITY DEVIL WOMAN L5	660		0														
RESTRICTIONS: Permitted for gas only. This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.																	
<p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p> <p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p>																	
U.T. LANDS NOV 08 2007 WTO																	

no partners (Send Univ. Lands) 11/1/07 CS

MAY 12 2007

/// 111

DEPTH OF USABLE-QUALITY GROUND WATER TO BE PROTECTED

PLEASE READ ALL INSTRUCTIONS

The information requested is essential in order for this agency to provide an appropriate response. Please allow for receipt of this form in our office at least two weeks before your operation begins. Due to the volume of these requests, at times, it may be difficult for us to handle telephone inquiries. Complete, keep the bottom sheet (goldenrod) for your files, and mail the top 3 sheets of the 4-sheet set of carbon-backed forms with a map to the address below. One sheet bearing our response will be returned to you. Another form will be sent to the appropriate district office of the Railroad Commission. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512/239-3282. If you have questions on how to fill out this form or about the Surface Casing program, please contact us at 512/239-0515.

PLEASE
DO NOT STAPLE

MAY 02 2007

Surface Casing - MC 151
TCEQ
P.O. Box 13087
Austin, TX 78711-3087

Date 4/23/07

TCEQ File No.: SC-

111

WIFM
Banks
478-1493

Cherie Holtzclaw 432-618-1938

Name of person preparing this request & phone No. (with area code)

Trail Mountain, Inc.

Company (operator's name as on RRC form W-1)
105 South Fourth StreetMailing Address
Artesia, NM 88210

City and State ZIP Code

FOR TCEQ USE ONLY

ALWAYS INCLUDE A MAP SHOWING YOUR WELL SITE AND ALL SURROUNDING SURVEYS

COUNTY	<u>Hudspeth</u>	Survey Name	<u>UL</u>
Block No.	<u>L</u>	Township	<u>Section or Survey No. 5</u> (or) Lot No.
Abstract No. A-	<u>U515</u>	LEASE Name	<u>University Devil Woman</u> Well No. <u>1</u>
Distances, in feet, and directions measured at right angles from each of two intersecting <input checked="" type="checkbox"/> Section or <input type="checkbox"/> Survey lines (NOT LEASE LINES) <u>660</u> feet from <u>S</u> line and <u>660</u> feet from <u>S</u> line.			
Distance (in miles) and direction from a nearby town in this County (name the town) <u>8.9 miles west-southwest of Salt Flat</u>			
THE ABOVE INFORMATION IN THIS BLOCK MUST BE COMPLETE AND CORRECT			
API #		RRC Lease No.	RRC Dist. No. <u>8</u>
GPS Coord. (long/lat or X-Y state plane)	Lat <u>N31°43'58.6"</u>	W <u>105°14'02.5"</u>	NAD <u>27</u>
Elevation	<u>4006</u>	Total Depth	<u>2700</u>
Purpose of the Request: <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Re-entry <input type="checkbox"/> Plug & Abandon <input type="checkbox"/> Other (specify)		Geologic Fm. at T.D. <u>Silurian</u>	
Is this an amended request? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Previous File No. for this well: SC-			
<input type="checkbox"/> Log included of same or nearby well (The applicable type of well log that shows the aquifers.) Please provide a location map of API# for attached log.			

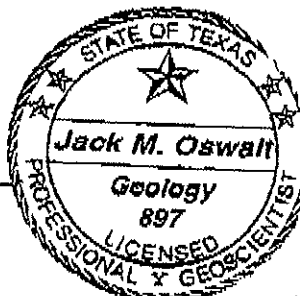
ALWAYS attach the electric log of any well that is to be reentered.

Additional remarks:

To protect usable-quality ground water at this location, the TEXAS COMMISSION ON ENVIRONMENTAL QUALITY recommends:

CO-HUDSPETH, SUR-UL, BLK-L, SEC-5, LSE-UNIVERSITY DEVIL WOMAN, #2/1200

The base of usable-quality water-bearing strata is estimated to occur at a depth of 1200 feet at the site of the referenced well.



Very truly yours,

Jack M. Oswalt, P.G.

May 3, 2007

Date

typed by TCEQ

Geologist, Surface Casing, TCEQ

NOTE: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. Approval of the well-completion methods for protection of the ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operations into a nonproductive zone (RRC Form W-14).

TCEQ-0051 (Rev. 02-13-2003)

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TYPE OR PRINT IN INK

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DO NOT WRITE HERE
FOR TCEQ USE ONLY